

The Battle Over Latin Policy

To Regain Control, Shultz Agreed to Replace Aides

By Bernard Gwertzman
New York Times Service

WASHINGTON — Secretary of State George P. Shultz agreed to replace his two chief advisers on El Salvador, as part of an arrangement he worked out with President Ronald Reagan 11 days ago to regain control of day-to-day management of Central American policy, well-placed Reagan administration officials say.

The officials added that the two, Thomas O. Enders, assistant secretary of state for inter-American affairs, and Deane R. Hinton, the ambassador to El Salvador, also were dropped in an effort to end a bitter fight over that policy that had spread throughout the administration.

In recent interviews, the officials said Mr. Enders and Mr. Hinton had been replaced after a meeting between Mr. Shultz and Mr. Reagan at the White House. They said Mr. Shultz had sought the meeting after Mr. Enders complained that the appointment by the White House of Richard B. Stone as a special envoy to Central America had raised further questions over whether the State Department was in control of policy.

The main question, Mr. Enders reportedly said, was whether the administration was committed to

a dual approach of siding with El Salvador militarily while encouraging a dialogue among the countries and factions involved or whether, seeking a quick solution, it would place more emphasis on military success.

According to aides to Mr. Shultz, the president said he remained committed to the dual approach publicly stated in his speech on Central America of April 27. The approach was favored by Mr. Enders and Mr. Hinton, who have argued privately and publicly that it will take time and patience to see results in El Salvador. But interviews with officials in various agencies indicate that many believe a more dramatic approach by the president is needed.

Aides said Mr. Enders thought many Reagan officials did not understand what was going on in Central America and failed to realize that Congress would not support a major military and economic commitment to El Salvador, particularly one that could lead to the involvement of U.S. forces or a major increase in U.S. advisers.

Mr. Shultz, meeting with Mr. Reagan, concluded he had to "sacrifice" both Mr. Enders and Mr. Hinton, who for different reasons had run afoul of the White House, to re-establish lines of policy, a senior official at the State Department said.

Aides cited the incident of the recent white paper on communist subversion in Central America, produced by the CIA months ago to be made public by the State Department. State Department officials said Mr. Enders and his staff decided that the paper pro-

vided no new information of consequence and was written in too tendentious a manner.

"Tom decided to just sit on it," one official said.

A major dispute broke out two weeks ago over the issue. The State Department gave in to the CIA and White House and made public a revised version on May 27, a few hours before Mr. Shultz announced that Mr. Enders was being replaced.

Mr. Enders has declined to be interviewed since his transfer was announced. He is expected to become ambassador to Spain.

The dispute over Mr. Stone arose after Representative Clarence D. Long, Democrat of Maryland, chairman of a key House appropriations subcommittee, made approval of the administration's request to transfer military aid earmarked for other countries to El Salvador conditional on sending a special negotiator there.

Mr. Enders — and eventually Mr. Shultz — perceived the appointment of Mr. Stone as ambassador at large for all of Central America as an effort to circumvent the State Department.

Also troublesome, aides said,



Leaving El Salvador on Saturday, Richard B. Stone, the special U.S. ambassador to Central America, right, was accompanied by Ambassador Deane R. Hinton.

Heavy Fighting Erupts Between PLO Factions

Compiled by Our Staff From Dispatches

BEIRUT — Heavy fighting broke out Saturday for the first time between Palestinian guerrilla factions in eastern Lebanon.

The violence grows out of a rebellion by some Palestine Liberation Organization units whose members are opposed to Yasser Arafat's leadership.

Lebanese police officials at first said 7 persons were killed and 18 wounded when rival factions within el-Fatah, the mainstream guerrilla group, battled each other with artillery, rockets and heavy machine gun fire a few miles west of the ancient town of Baalbek, according to The New York Times.

Hospital and PLO officials told Reuters on Sunday, however, that four people were killed and a dozen injured Saturday in the exchanges outside Baalbek, east of Beirut.

The PLO leader himself was not in Lebanon at the time of the fighting. Mr. Arafat, who is both chairman of the PLO and head of the biggest PLO commando group, left Algiers on Sunday after an overnight visit flew to Saudi Arabia where he held talks with the Saudi foreign minister, Prince Saad al-Faisal, the Saudi press agency reported.

The agency said they discussed the current Arab situation and matters of mutual interest at their talks in Jeddah, but made no reference to the motley among members of Fatah.

A senior aide, Khalil al-Wazir, who is also known as Abu Jihad, said Saturday that Mr. Arafat would go to Saudi Arabia then to India, the United Arab Emirates and Kuwait.

Mr. Wazir, speaking to reporters in eastern Lebanon, said the fighting broke out when the rebels attempted to set up a roadblock on the highway linking the rebel stronghold of Hush Barada, three miles (4.8 kilometers) west of Baalbek, to the Syrian town of Zabadi.

Mr. Wazir said guerrillas loyal to Mr. Arafat had tried to remove the roadblock and that the rebels resisted.

He said that "friendly forces in the area Syrians and Palestinians, intervened to reopen the highway and end the clash."

The rebels have accused the 54-year-old Mr. Arafat of neglecting the armed struggle against Israel in favor of negotiating with Jordan over how to further President Ronald Reagan's initiative for a Middle East settlement.

Syrians Are Adamsant

President Hafez al-Assad of Syria said Sunday that Damascus would never accept the troop withdrawal agreement signed by Lebanon and Israel last month, Reuters reported from Damascus.

Those who think Syria will accept the agreement must have taken leave of their senses," the official press agency quoted him as telling the visiting secretary-general of the Arab League.

Jihad Salch, who speaks for the

Lebanon Invasion's Result: Still Uncertain

By Edward Walsh
Washington Post Service

JERUSALEM — On the day that Israel signed a troop withdrawal agreement with Lebanon, Defense Minister Moshe Arens was in eastern Lebanon, at an Israeli Army outpost. There, in a makeshift headquarters building, the defense minister addressed about 40 paratroopers and tank crew members, young Israelis fighting their first war against an Arab enemy.

Beijing has stepped up efforts to expand economic ties with the European Community and has agreed in principle to buy a pair of nuclear reactors from France for a power station in the south.

A senior Foreign Ministry official meeting last week with an American expert on China, Paris Chang, was asked whether Beijing

(Continued on Page 2, Col. 2)

"Maybe this is a historic day," he said of the agreement being signed May 17 in the Beirut suburb of Khaled. But, Mr. Arens added, "no one knows for sure, about this

or many things in the Middle East."

A year after the Israeli Army stormed across the Lebanese border at the start of "Operation Peace for Galilee," Mr. Arens's

NEWS ANALYSIS

iously ambivalent tone probably comes as close as any to matching the mood of the country concern: Israel's most controversial war. Sharp divisions remain in Israel society over the goals and conduct of the war, although it is easy to exaggerate the extent of domestic dissent.

A majority of Israelis still clearly support the immediate goal of the

invasion — the destruction of the Palestine Liberation Organization as a hostile military presence along Israel's northern border.

But as casualties have mounted

six Israeli soldiers have been killed in Lebanon since the signing of the troop withdrawal agreement — and with no sign that the Israeli Army will leave Lebanon soon, the first anniversary of the invasion has become a time for sober measurement of the gains to Israel and their cost.

Was it worth the cost in lives and suffering — 490 dead Israeli soldiers, 2,751 others wounded, not to mention all the civilian casualties in Lebanon last summer?

Many Israelis view with dismay

(Continued on Page 2, Col. 5)

Algeria	6,000 Dem.	Iraq	15,300	Norway	4,000 N.L.
Austria	175	Ivory Coast	2,700	Peru	400 Ec.
Bahrain	3,650 Dem.	Jordan	450 Fr.	Portugal	60 Ec.
Belgium	37 L.F.	Kenya	500 Ec.	Qatar	4,500 Mob.
Canada	C\$ 1.10	Kuwait	500 Fr.	Rap. of Ireland	60 P.
Cyprus	400 Mob.	Lebanon	4,450	Saudi Arabia	6,000 R.
Egypt	100 P.	Malta	300 Mob.	Singapore	2,000 S.Y.
Finland	6,000 P.M.	Liberia	70 Ec.	Tunisia	2,000 S.Y.
Germany	2,250 D.M.	Madagascar	200 Ec.	U.S.A.	15,000 Dem.
Greece	40 P.	Morocco	3,000 Ec.	U.S.S.R.	100,000 Dem.
Iceland	250 Fr.	Myanmar	1,700 Ec.	Yugoslavia	70 D.
Iran	175 Ec.	Niger	1,200 Ec.		

the internal divisions that the war sharpened, divisions symbolized by the fate of Emile Grunzberg, a soldier who served in Lebanon, came home to protest his government's policies and was killed by a hand grenade tossed in the midst of a peace demonstration outside the office of Prime Minister Menachem Begin.

Was it worth the damage to Israel's image and international standing and the strain it caused with Israel's most important ally, the United States? And, Israel's ask, did it cause the deepened freeze that has fallen on its relations with Egypt, the largest and most important of the Arab countries and the

(Continued on Page 2, Col. 5)

INSIDE

■ Opportunity Lost: The United States and the Soviet Union may have fumbled an "important" chance for a mutually beneficial missile agreement last year.

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■ Britain's Tories, the latest poll predict, appear heading for a landslide victory. Page 2.

■ Felipe Gonzalez, Spanish prime minister, now touring Latin America, has used the occasion to criticize United States policy in the region. Page 3.

■ Jack F. Matlock Jr., U.S. ambassador to Czechoslovakia, will be named President Reagan's senior specialist on Soviet affairs. Page 6.

■ Argentina agrees to resume payment on \$20 billion of public-sector foreign debt. Page 9.

■ Kuwait's financial problems look even worse than originally thought. Page 9.

SPORTS

■ Yannick Noah defeated Mats Wilander of Sweden in three sets to win the French Open and become the first French winner since 1946. Page 15.

TOMORROW

■ Stanley Karmen says Americans may be reaching maturity in their thinking on foreign affairs. Editorial Page.

Mitterrand Ratings Go Down With Economy

By Paul Lewis
New York Times Service

PARIS — Two years after coming to power, President François Mitterrand is facing a crisis of confidence in his management of the French economy.

The austerity measures he introduced in March to head off a fourth devaluation of the franc are starting to bite. Taxpayers have found their regular tax bills swollen by a forced loan to the government in addition to a special emergency levy. Currency controls are forcing many French people to take vacations at home this summer. Bankruptcies and unemployment are on the rise.

Mr. Mitterrand's popularity has slumped as voters' expectations from France's first Socialist government in a generation have faded. Last June, when the Socialists were still trying to expand the economy, 74 percent of the voters supported the plan. Today only 45 percent do. Almost 70 percent of voters think the government has been "severely weakened" by its austerity moves, according to another poll.

The major emphasis that the ordinance did not cover such public places as restaurants, theaters or arenas for sporting events. The ordinance defines its coverage to be work space primarily used by "clerical, professional or business services." It specifically names "office spaces in office buildings, medical office waiting rooms, libraries, museums, hospitals and nursing homes."

Walker Merriman, a spokesman for the Tobacco Institute of America in Washington, said: "The ordinance is unnecessary. Certainly it is unnecessary."

She also said, "there is convincing evidence" that productivity rises in smoke-free environments.

Representatives of the American Cancer Society and the San Francisco Lung Association were present Friday for the signing ceremony.

Only one of the 11 members of the Board of Supervisors voted against the ordinance. Supervisor Nancy Walker said she believed government should not legislate the office habits of workers, and she said she suspected the law would not be enforceable.

A provision for two additional city health inspectors at a cost of \$71,000 a year was deleted from the original language of the ordinance.

Supervisor Wendy Neider, author of the law, said: "I truly expect the ordinance to be self-en-

forcing. Basically, people are honest, people are considerate."

The ordinance goes into effect July 4. Except for city offices, it calls for each employer to adopt within three months a written smoking policy that provides, at the least, that if the complaints of nonsmoking employees are not met, "No Smoking" signs must go up and the rule must be enforced.

For city offices, the change must come within three weeks.

Punishment for refusal to comply with the law after a violation has been cited by the director of public health is a fine of up to \$500 a day, which the city could seek in a civil suit.

The mayor emphasized that the ordinance did not cover such public places as restaurants, theaters or arenas for sporting events. The ordinance defines its coverage to be work space primarily used by "clerical, professional or business services."

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Senate Report Says U.S., Russia Missed Chance for Arms Accord

By Michael Geler
Washington Post Service

WASHINGTON — The United States and the Soviet Union "lost an important opportunity for a mutually beneficial" agreement limiting nuclear missiles last year when both governments rejected an unauthorized proposal worked out by arms negotiators at Geneva, a congressional report says.

Despite that rejection, "perhaps the best chance" for reaching agreement at the stalled talks on intermediate-range nuclear forces still lies in working out "something along the lines of that proposal," according to a staff report of the Republican-controlled Senate Foreign Relations Committee.

The proposal referred to is one discussed last July in the celebrated walk in the woods taken by the chief U.S. negotiator, Paul H. Nitze, and his Soviet counterpart, Yuli A. Kvitsinsky.

Because there is still interest among U.S. allies in Europe in that formula, support from the staff of a prestigious Senate committee could increase pressure on the Reagan administration to reconsider it in some fashion.

The informal proposal had con-

siderable appeal in Europe because it would limit the scope of rival missile deployments in Europe and put a cap on Soviet missile deployments in Asia. It would have allowed 75 launchers for jet-powered cruise missiles on the U.S. side and 75 launchers for SS-20 missiles for the Russians in Europe. But it also called for dropping the planned deployment of 108 U.S. Pershing-2 missiles in West Germany.

The Pentagon balked at this, arguing that the rocket-powered Pershing-2 was needed to balance the SS-20 because the slow-flying cruise missiles take hours to reach their targets and can be shot down by air defenses. It is not clear why Moscow also repudiated the deal.

President Ronald Reagan, at a press conference last week, appeared once again to rule out any such proposal. But there were reports from Geneva on Saturday, after Chancellor Helmut Kohl of West Germany met with Mr. Nitze, that Bonn remained interested in such an arrangement.

The staff report, released Sunday, paints a gloomy picture of U.S.-Soviet relations and says there is "little chance of agreement in the near future" on arms control. Prospects in the Strategic Arms Reduc-

tions Talks dealing with intercontinental-range missiles are even worse than the talks dealing with shorter-range missiles, it says. Both sets of talks are being held in Geneva.

"Perhaps the most disturbing finding," the report says, "is the extent to which the current arms control impasse has led to a deterioration" in the overall U.S.-Soviet relationship. Any improvement, it says, also "will depend to a large extent on whether agreements can be reached on limiting nuclear weapons."

At the same time, the staff members reported that Soviet negotiators in the intermediate force talks were "belligerent" and "nasty as hell" during the last round early this year, in an effort to ensure there was no sign that any progress was being made.

The Russians want to influence European public opinion against plans to install new U.S. missiles in Europe beginning in December if no arms accord is reached before then. The West believes Moscow is trying to block deployment without an agreement and without giving up the modern missiles it has already fielded.

The staff report, according to the committee's chairman Senator Charles H. Percy, an Illinois Republican, is to set the stage for congressional hearings on U.S.-Soviet relations, to begin June 15 with Secretary of State George P. Shultz as the first witness.

Last week, Mr. Reagan forecast that U.S.-Soviet relations would improve in the long run but that there would undoubtedly be more hostile rhetoric as the showdown approached over the planned U.S. missile deployments in Europe.

That is why the staff report, presenting the Nitze-Kvitsinsky deal, is seen as potentially important. West Germany, which is the only country scheduled to receive the Pershings, has been singled out as a target for pressure by Moscow.

As public demonstrations in West Germany increase in intensity later this year, the report says, Bonn will press Washington for additional modifications in its existing proposals.

The committee staff's report is based on a fact-finding trip that followed disclosure of a memorandum from aides to the chief U.S. strategic arms negotiator, Edward L. Rowny. The memo included disparaging remarks about four of Mr. Rowny's five deputies. The Senate team visited the delegation and reported that "Rowny's subordinates maintained their professionalism and tried not to allow the incident to interfere with the immediate business at hand."

"Behind the scenes, however, morale on the START team has deteriorated to the point where its future effectiveness could be seriously impaired," the report says.

The report says that U.S.-Soviet talks in Vienna dealing with mutual and balanced troop reductions is the one place where there are some prospects for an accord. The staff calls for "serious probing of the East's intentions" in the round beginning there this month.

Congress, in Debate on the MX, Attempts to Read Moscow's Mind

By Steven V. Roberts
New York Times Service
WASHINGTON — A Senate committee was taking testimony recently on the MX missile, and James R. Schlesinger, a former secretary of defense, was at the witness table. The issue was whether the weapon was necessary to deter nuclear war.

Mr. Weinberger said the Soviet Union had had nuclear missiles in Warsaw Pact countries for a long time. Later in the week, Mr. Weinberger told a "new lie, one more atrocious than another, virtually every day."

The report began by saying Mr. Weinberger had no proof to back up his allegation Saturday in Norway that foreign submarines detected off Sweden's coast last fall were from the Soviet Union.

"The chief of the U.S. military establishment displayed as much imagination in discussing on nuclear warheads and missiles which the Soviet Union has presumably been maintaining for a long time in the territory of its East European allies," Tass said.

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The Washington Post, quoting a senior U.S. Defense Department official who said he had checked with Mr. Weinberger about remarks made in Brussels and Bonn last week, confirmed that the U.S. defense secretary was referring to stationing of Soviet nuclear war-

heads in East European countries as well as the missile launchers.

The statement appeared to mark the first public allegation from a senior U.S. official that the Kremlin had stationed nuclear warheads in East European countries and not just weapons capable of carrying such warheads.

Mr. Weinberger's disclosure that the United States believes Soviet nuclear warheads are in Eastern Europe comes as a surprise to many, since it previously has been assumed that the Kremlin would not want to run the risk of maintaining nuclear warheads outside their own territory. Mr. Weinberger dismissed their surprise, saying the presence of nuclear weapons in Eastern European countries had been common knowledge in the United States.

U.S. officials said the nuclear weapons in East European countries, which they did not specify, included modern SS-21 and SS-23 missiles with ranges of 500 miles (800 kilometers) or more as well as older Frog and Scud missiles and nuclear artillery shells. They said the newer generation of missiles had been present in East European countries for at least three years.

"There's been no biding of any of this knowledge that I know of," Mr. Weinberger said at a Brussels press conference. "It's common knowledge in the U.S. that these missiles are in Eastern Europe."

Tass again warned that the Soviet Union would build up its medium-range missile arsenal and put nuclear warheads in Eastern European countries if U.S. missiles were deployed in Western Europe.

Committee, put it, "We try to figure out where they're coming from, but it could well be the blind leading the blind."

Senator Jeff Bingaman, a New Mexico Democrat on the Armed Services Committee, said that lack of reliable data about the Russians "is one of the glaring inadequacies in our decision-making process." As a result, the first-term congressman added, he and his colleagues often "wind up making judgments on visceral reactions."

Senator Bingaman attributed the lack of information partly to the "institutional bias" of the Reagan administration spokesmen who brief the Congress on Soviet affairs and are interested in building a case for higher military outlays.

As recent history demonstrates," said Senator Edward M. Kennedy, a Massachusetts Democrat, "the Soviets are prepared to do whatever it takes to match us in every stage of the nuclear arms race. Step by step, warhead by warhead, missile by missile."

Backers of the MX also argue that Soviet military strategists would be intimidated by the weapon. Senator Ted Stevens of Alaska, the Republican whip, said the missile would have the effect of "inhibiting Soviet adventurism during a potential crisis."

Not so, say the other side. The MX will not make the Russians cautious, they contend, but instead it will make them nervous because it could be used as a first-strike weapon.

A third point of contention is political. Defenders of the MX weapon say it will demonstrate "national resolve" and "national unity," and make Moscow realize that it cannot wait for another administration to get a better deal on arms control.

If the Russians know we've agreed in a bipartisan way, it makes it much more likely that they will sit down and respect our national will," Mr. Glickman maintained.

But Representative Patricia Schroeder, a Colorado Democrat, said the MX would demonstrate national folly, not national will, because it is too vulnerable and too costly.

"Everyone in the world, would be more impressed if we didn't deploy the weapon and showed common sense," she argued.

Technology For China

(Continued from Page 1)

feared losing the economic benefits of good relations with the United States, according to Mr. Chang.

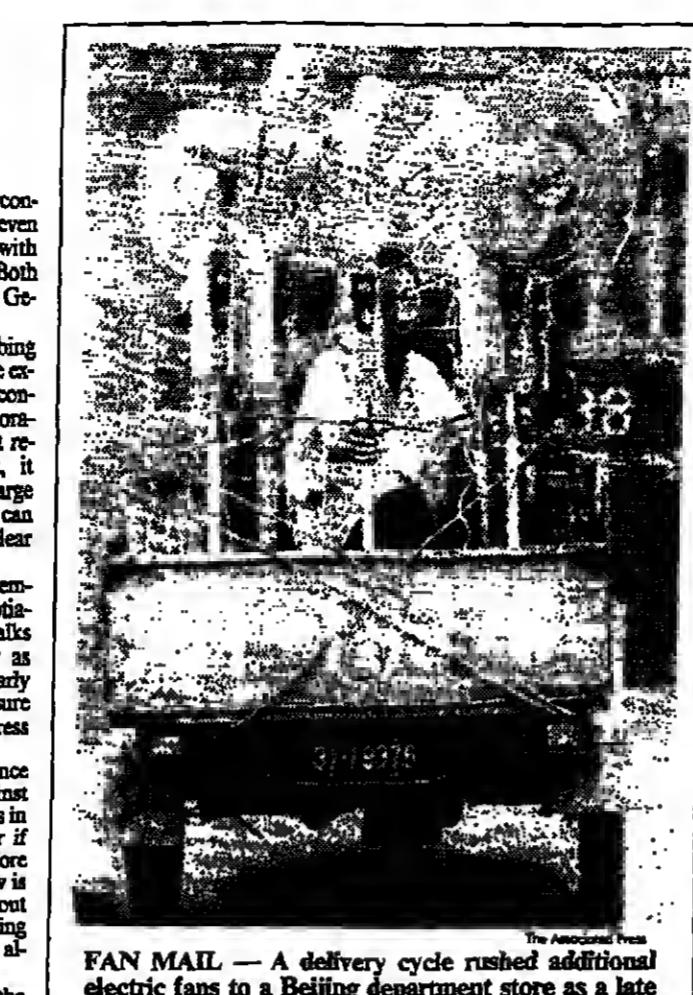
"China needs nothing from the Americans," the official was reported to have said.

It is unclear whether a liberalized administration policy on high technology would reverse the damage done to economic ties.

The official reaction to Mr. Baldwin's visit was positive, although Chinese leaders have become wary of U.S. promises, reducing them in general to the classical phrase, "loud thunder, little rain."

In an interview this week with the American columnist Robert Novak, Vice Premier Yao Yiliu acknowledged the latest administration plan while calling it "petty maneuver."

Even if China were to be placed in a more liberal general category, he told Mr. Novak, the administration would find a way to restrict sales by drafting strict guidelines.



FAN MAIL — A delivery truck rushed additional electric fans to a Beijing department store as a late spring heat wave produced consumer shortages.

France Vows to Punish More Rebel Policemen

Reuters

Gaullist Party Leader Urges a Referendum

The Associated Press

PARIS — The French government has vowed to swiftly punish police officers who demonstrated against the authorities during protest marches last week over the murder of two policemen.

Prime Minister Pierre Mauroy, whose government replaced two police chiefs and ordered an inquiry into the protest on Saturday, said Saturday: "Those who have failed in their duty must be punished."

"At the highest level, they have been already," Mr. Mauroy said. "As for the others, they will be in the next few days. The inquiry will be swift and the penalties immediate."

The government Friday night accepted the resignation of Paris police chief, Jean Périer, and dismissed the director-general of the national police, Paul Coussen.

Their dismissals followed the first major police protest since the Socialist government came to power in May 1981. The demonstrations involved mainly rightists who demanded the resignation of Justice Minister Robert Badinter and Interior Minister Gaston Deltre.

The demonstrations began after a ceremony at the Paris police headquarters for the two officers, who were shot on Tuesday when they stopped three persons for questioning. Some of the 2,000 police at the ceremony whistled and paid tribute to the dead men.

About 1,000 policemen then marched to the Justice Ministry, demanding Mr. Badinter's resignation. Later, about 2,000 headed for the Justice and Interior ministries, supported by Jean Le Pen, leader of the extreme right National Front party.

The newspaper Le Monde on Saturday condemned police incordination but said that the Socialist government's treatment of the force lacked coherence. "If it gives too strong an impression of hesitation and disunity," Le Monde said, "the left runs the risk of no longer deserving power and of losing it."

Some police leaders have charged that court and prison reforms introduced by the Socialist government put them at a disadvantage.

The PLO has been destroyed as a functioning military entity on Israel's northern border. Despite the large amount of arms they accumulated, the Palestinian guerrillas never posed a credible military threat to Israel.

But Mr. Steed, the Liberal leader, said the alliance offered a chance to break the political domination of the two major parties have had for most of this century.

Speaking in Newton St. Boswells, Scotland, Mr. Steed said: "This weekend, as we overtake Labor, we present a real opportunity for the voters to escape altogether from our class-ridden and divided political system."

Paris Abandoned As Site of Forum On Palestinians

(Continued from Page 1)

only one formally at peace with the Jewish state.

In terms of lost lives, "Operation Peace for Galilee" can be viewed as a poor trade, if such things could be quantified. For a full year before the invasion, not a single Israeli had been killed as a result of PLO actions emanating from Lebanon. In the years between Israel's 1978 invasion of Lebanon and last summer's war, Israeli deaths that the army classifies as resulting from "terrorist actions" did not approach the 490 killed in the war.

The PLO has been destroyed as a functioning military entity on Israel's northern border. Despite the large amount of arms they accumulated, the Palestinian guerrillas never posed a credible military threat to Israel.

The irony of this, however, is that Israel's northern border may be no more safe as a result. Israel recognized this in the troop withdrawal negotiations with Lebanon in insisting on a wide "security zone" in southern Lebanon where its own soldiers would continue to play a role in preventing infiltration by Palestinian guerrillas.

The PLO was also destroyed as a political entity in Lebanon — "a state within a state" in the words of Mr. Begin and other officials.

"Lebanon was important politically to the PLO," a senior Defense Ministry official said. "It was a small, single-warhead missile for the revolution. That's over now."

In retrospect, the political goals, and not the military objective of safeguarding the northern border, were paramount. It is on this basis that Israeli officials today ask their compatriots to judge the outcome of the war.

What we have achieved in the agreement with Lebanon is first and foremost a change in the political situation, and I think there is not sufficient awareness and understanding among us on that change," Mr. Arens said in a published interview just before the accord was signed.

"We have all reached the conclusion that a security zone in southern Lebanon — almost regardless of its depth — does not solve our problem and does not release us from having to go out again and again on similar combat operations," he continued. "What was necessary and essential for us was a political change — to put an end to the state of war between Israel and Lebanon that existed for 35 years, since the establishment of the state of Israel."

Administration sources said that Brent Scowcroft, a retired air force lieutenant general who served as national security affairs adviser to President Gerald R. Ford, had agreed to stay on as chairman, and that Thomas C. Reed, secretary of the air force in the Ford administration, would continue as vice chairman.

"Everyone in the world, would be more impressed if we didn't deploy the weapon and showed common sense," she argued.

U.K. Tories Seem Set for A Landslide

Severe Labor Defeat Is Forecast by Polls

Compiled by Our Staff From Dispatches

LONDON — Prime Minister Margaret Thatcher's Conservative Party appeared Sunday to be headed for a landslide victory in Thursday's general elections, as opinion polls predicted that the Labor Party would suffer a devastating defeat.

Seven surveys, published Sunday by national newspapers, estimated support for the Conservatives at 43.5 to 47 percent. These figures gave the party a lead of 12.5 to 19 percentage points.

Two of the polls showed the alliance of Liberals and Social Democrats pushing into second place for the first time in the campaign.

The polls put Labor support at 27 to 31.5 percent. The alliance received 22 to 28 percent.

The Liberal Party leader, David Steel, proclaimed Saturday that trends were turning in favor of the alliance. Meanwhile, the Labor leader, Michael Foot, conceded that his party faced a difficult battle for votes.

Only the alliance's late surge now threatens Mrs. Thatcher's drive for a landslide victory, which she says is necessary to strengthen Britain's voice in world affairs.

The two opinion polls that put the alliance in second place appeared in the Sunday Mirror and the News of the World. Both were taken Friday. Marplan, for the Sunday Mirror, consulted 1,311 voters in 103 electoral districts. Audience Selection, in the News of the World, conducted telephone polls of 1,038 women voters throughout Britain.

Marplan said 44 percent of its respondents said they planned to vote for the Conservatives, 27.5 percent for the alliance, 27 percent for Labor and 1.5 percent undecided.

In a poll released on Thursday, Marplan said 47 percent of those questioned had indicated support for the Conservatives, 30 percent for Labor, 22 percent for the alliance and 1 percent for others.

Audience Selection gave the Tories 45 percent, compared to 28 percent for the alliance, 24 for Labor and 3 percent undecided.

Although they hold a comfortable lead, the Conservatives have switched campaign tactics to offset

their dismissals.

Commentators said Saturday that sanctions were expected not only against demonstrators but also against police on duty who allowed the marchers to pass through their ranks and took off their hats in support of their protest.

Commentators said Saturday that they weakened the fight against crime.

Remy Halbwax, secretary-general of a rightist police union, said in a television interview that morale in the force was low because the Socialists had abolished capital punishment and investigated prison conditions but had done nothing for the police.

Commentators said Saturday that sanctions were expected not only against demonstrators but also against police on duty who allowed the marchers to pass through their ranks and took off their hats in support of their protest.

On Saturday night, Mrs. Thatcher's foreign secretary, Francis Pym, said the alliance was "as divided as Labor."

"The Liberals and the SDP are two separate parties and they will remain two separate parties," Mr. Pym told supporters in Cambridge.

"Their recipe is an unpalatable mixture of chalk and cheese. They have nothing more to unite them than a few bland words and the common fear of losing their seats."

But Mr. Steel, the Liberal leader, said the alliance offered a chance to break the political domination of the two major parties have had for most of this century.

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Carlos Mota Pinto, left, and Mario Soares in Lisbon after they negotiated an accord for a coalition.

Portuguese Parties Set Program for Coalition

Reuters

LISBON — The center-left partners in Portugal's next government will give priority to drawing up a plan for restoring financial stability based on strict austerity.

This was one of the key points in an agreement signed Saturday night by Prime Minister-designate Mario Soares, a Socialist, and Carlos Mota Pinto, leader of the Social Democrats.

The way is now clear for Mr. Soares, 58, to complete the formation of Portugal's 15th government since the restoration of democracy by the armed forces in 1974.

The pact between the two largest parties is intended to last for the four years of the new assembly elected on April 25. They control more than two-thirds of the 250 assembly seats.

In speeches at the signing ceremony in a Lisbon hotel, both leaders stressed the gravity of the economic situation and the difficult task of "saving Portugal," as Mr. Soares put it.

One of the main clauses in the coalition pact, and a matter of hard bargaining during nearly a month of negotiations, provides for early legislation that would reopen banking and insurance to private enterprise following their nationalization after the 1974 revolution.

In a gesture of good will to his new allies, Mr. Soares spoke warmly of his old political foe, Francisco Sá Carneiro, the Social Democratic leader killed in an air crash in November 1980.

Mr. Soares said he felt sure Mr. Sá Carneiro would have approved the new alliance.

But a spokesman for the Christian Democrats, who were partners with the Social Democrats in the outgoing government of Francisco Pinto Balsemão, said the new alliance looked "extremely fragile." The spokesman said the agreement contained no clear pledges on essential issues.

The leader of the Communist Party, Alvaro Cunhal, has also expressed skepticism about the accord and the prospects for stable government.

Political sources said the Soares government was virtually completed and that it would probably be sworn in Thursday, the day after the assembly elects a speaker.

The coalition agreement commits the government to a foreign policy of continued Portuguese participation in NATO and entry into the European Community. It pledges increased cooperation with Portuguese-speaking countries and strengthened links with Spain.

The pact calls for modernization of Portugal's armed forces, a fight against corruption in government and business, and increased output and productivity aimed at eliminating Portugal's dependence on help from abroad.

Rain-Delayed Sugar Crop and Debt Tie Cuba Closer to Soviet Economy

By Edward Cody

Washington Post Service

HOLGUIN, Cuba — Plagued by unseasonal rains in the sugar fields, and saddled with foreign debt, Cuba appears headed for a new period of austerity and increased reliance on trade and aid oriented to the Soviet Union.

The present economic squeeze demonstrates the fragility of Cuba's dependence on sugar to earn foreign exchange and the key role of the Soviet Union and its allies in filling gaps created by shortages of hard currency that would purchase Western goods. And if Cuba is tied more closely to the Soviet bloc economically, it is likely to reinforce long-term political cooperation in the Caribbean and Central America.

Imports from the West are expected to drop substantially in 1983 for the second year in a row, according to Amadeo Blanco, the deputy foreign commerce minister, reversing a rise in 1980 and 1981 that amounted to nearly \$2 billion annually. It has been predicted that Cuban trade with the Soviet bloc could rise temporarily to as much as 90 percent of the total after several years at the 75 and 80 percent level.

The shift fits into Cuban Communist Party directives and the

Union in El Salvador Reports Setbacks in Land Reform

By Lydia Chavez

New York Times Service

SAN SALVADOR — El Salvador's land redistribution program has suffered significant setbacks in the last few months, according to the country's largest farmers' union and a preliminary study made for the AFL-CIO.

The farmers' group, the Salvadoran Community Union, with 40,000 members representing 100,000 small landholders and agricultural workers, warns that if the government does not take action to reverse the decline, it will lose support in rural areas.

"In the countryside, if you don't have beans and corn, you are lost," said Samuel Maldonado, a leader of the union.

"The day that they see that they have lost their rights," he said, speaking of the farmers who had begun to benefit under the land program, "they will decide to join the guerrillas. If you have 5,000 beneficiaries, and if they lose out, they get frustrated, and that's 5,000 machine guns that will turn against the government."

Union representatives from the 14 provinces met last week at the union's headquarters in Santa Tecla, 15 miles (24 kilometers) from the capital, to discuss the setbacks. They said an increasing number of peasants were being evicted from land to which they already had preliminary title or land that they had the right to claim.

They also reported that 6 of the United States in the conflicts of

of the time that beneficiaries have to apply for title (up to 17.5 acres (about seven hectares) of land).

At the same time, however, the assembly approved an amendment that could limit the number of beneficiaries. It is also unclear about what constitutes proof that the peasants had rented the land, the official said. Many peasants had past and their new allegiance has

not filtered down to the lower levels, the labor union members said.

"There are people in the armed forces who do want changes but there are more who are against it," Mr. Maldonado said.

But the provincial army units worked for the landowners in the official said. Many peasants had past and their new allegiance has

had been killed May 25 after surrendering to a guerrilla force in the central province of San Vicente.

"At a news conference at the U.S. Embassy, Colonel John D. Wagstein, commander of the U.S. Military Group in El Salvador, said 'all but 7 or 9' of the 42 soldiers had only head wounds. He and other officials offered 47 photo-

graphs as evidence that a massacre had taken place.

The guerrillas denied the charges on a broadcast on their station, Radio Venceremos, and a leftist political leader, who declined to be identified, said in an interview here last Monday that the statements that executions had occurred were false.

er role in world affairs after four decades of isolation.

However, by going public with his criticisms instead of sharing them privately with Mr. Reagan when the time comes, some believe Mr. González has risked alienating the White House.

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Spanish Leader Criticizes U.S. Policy in Latin America

By John Damron

New York Times Service

MADRID — Prime Minister Felipe Gómez of Spain, who was in the final leg Sunday of a five-nation tour of Latin America, has used the occasion to criticize U.S. policy in the region.

Mr. Gómez visited five Spanish-speaking countries — the Dominican Republic, Colombia, Venezuela, Panama and Mexico. The last four have undertaken a peace initiative in Central America with the strong support of Spain.

The Spanish leader began his visit with his criticism of U.S. policy in an interview with the Spanish news agency published the day before he left Spain, and he continued it in speeches and news conferences throughout the week.

He said that involvement by the United States in the conflicts of

Central America was "fundamentally harmful" to the countries involved, that a hardening line from Washington would only make the situation worse and that all foreign military advisers should be withdrawn.

In the opinion of many officials in Madrid, the prime minister, by conferring first with like-minded Latin American leaders, is equipping himself to serve as a spokesman for their view that a negotiated settlement must be found, even though he publicly disclaims any pretensions to such a role.

At the same time, the officials say, Mr. Gómez is strengthening his own position, since he will be viewed not just as the young leader of a country still trying to define its position in the West and in the North Atlantic Treaty Organization, but also as a potential mediator in the conflicts of Central America.

Officials also contend that the election victory of Mr. Gómez in October symbolizes the final transition from dictatorship to democracy in Spain. It is clearly, the new Spanish government believes, something that could serve as a model for Latin America.

As far as relations with Washington go, the Socialist government has done much to try to smooth the way. It approved the treaty allowing U.S. bases in Spain, passed through a major contract to purchase American-made F-16 fighter planes and put off the delicate task of fulfilling a campaign promise to hold a public referendum on NATO membership.

In the view of Spanish officials, Spain is thus ideally situated to act as mediator. It is outside the region of conflict. It is on good terms with Washington as well as the Cuban government. It also has a motive, since such a role would enhance Spain's prestige in Europe and help to fill the Spanish desire for a large

role in world affairs after four decades of isolation.

However, by going public with his criticisms instead of sharing them privately with Mr. Reagan when the time comes, some believe Mr. González has risked alienating the White House.

Honduran General to Hold Talks With U.S.

By Philip Taubman

New York Times Service

WASHINGTON — The chief of the Honduran military is scheduled to visit Washington this week for talks with the Reagan administration that will include discussions about a larger U.S. military role in his nation. Defense Department officials have announced.

The visit will be the second by General Gustavo Alvarez in three weeks. When he was here in May, General Alvarez gave final approval to Honduras to a plan for the United States to send more than 100 military advisers to Honduras, tripling the present number, and to

open a training camp for Salvadoran soldiers there. The agreement also was approved by the civilian president of Honduras, Roberto Suazo Córdova.

Defense Department officials declined to provide any details about a possible further expansion of U.S. military cooperation with Honduras but said that military and civilian leaders in Honduras had urged the Reagan administration to increase military aid to their country.

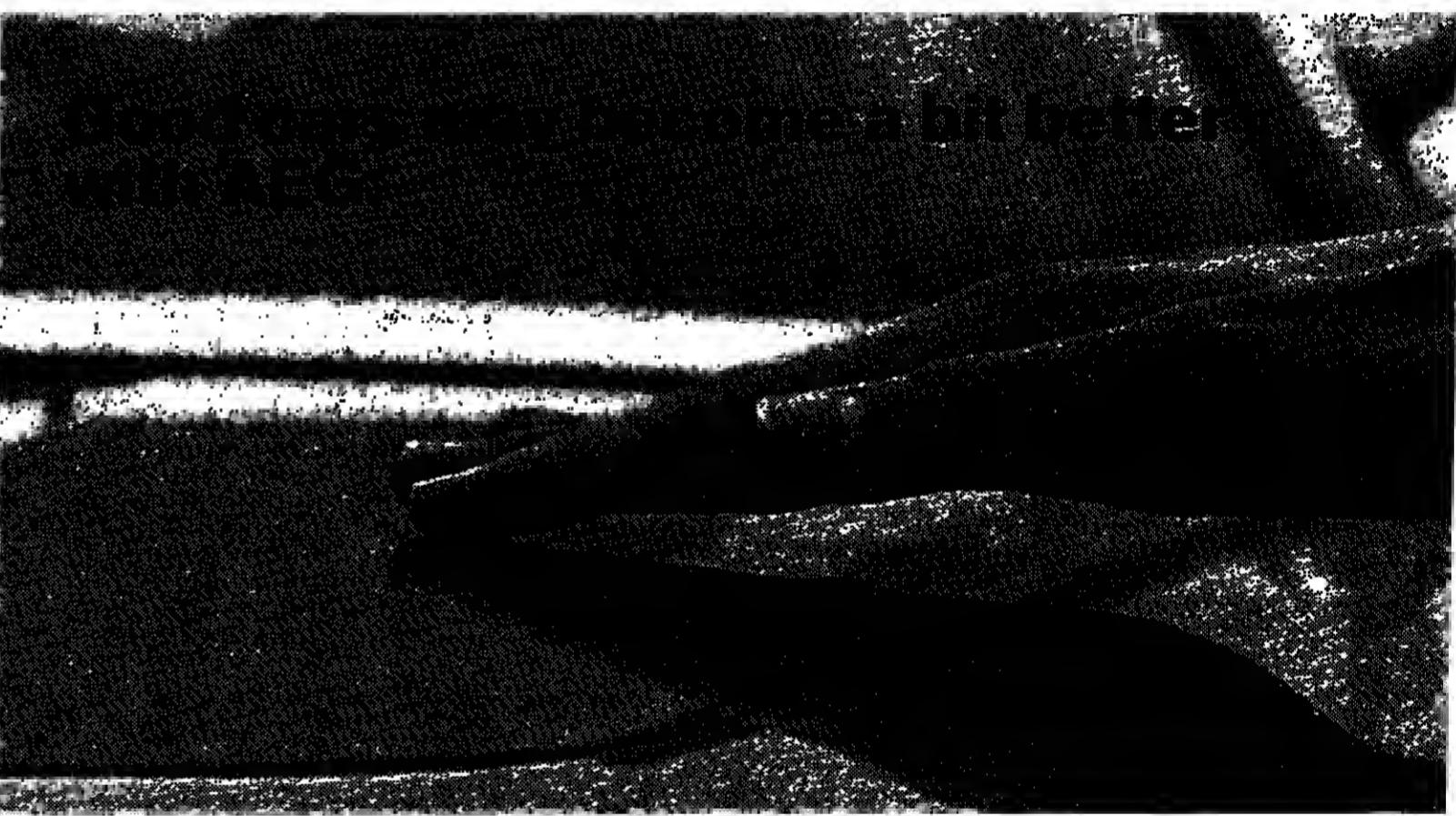
The White House objected Friday to an article in The New York Times reporting that senior administration officials were considering an increase in U.S. military in-

volvement in Central America. Larry M. Speakes, the White House spokesman, denied that any expansion in U.S. activities there was being contemplated.

The president and his advisers are not considering increasing personnel, funding or the level of U.S. involvement in Central America," Mr. Speakes said. He added: "The president's statement on U.S. combat involvement stands: We will not Americanize this war."

The article reported that a senior official said the administration remained committed to keeping U.S. combat forces out of the conflicts in Central America.

The article was based on infor-



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INTERNATIONAL HERALD TRIBUNE

Published With The New York Times and The Washington Post

Eyes on the Syrians

Israel and Syria continue to be caught up in a test of wills that could yet produce a costly war. Their mutual dilemma came out of the withdrawal agreement that Israel concluded with Lebanon nearly a month ago. The Syrians, feeling isolated, stiffened; whether this was by way of preparing themselves for battle or, as the U.S. government still hopes, for negotiations of their own with Lebanon is unclear. The Israelis also stiffened — perhaps to intimidate Damascus, probably just to show that they would not be pushed around.

The Syrians, like the Israelis, keep their armed forces under tight discipline. That Syria has restocked its air defense with improved equipment manned by thousands of Soviet advisers, however, raises the question of whether Damascus might get a bit bolder. The Kremlin was disgraced as Syria's patron last summer, and its evident eagerness to recoup its prestige is not helpful now. Meanwhile, the Syrian government is helping to sponsor a mutiny against Yasser Arafat by PLO units in the Syrian-occupied part of Lebanon. The PLO units are protesting against an Arafat strategy that they believe denies them further armed confrontation with Israel. So they have both the location and a possible reason to shoot at Israeli soldiers. It is dangerous.

It has become fashionable to say that the United States should have drawn Syria into a Lebanon negotiation last year before Moscow had the chance to move back in. But that as-

sumes that Syria would have been ready to negotiate from weakness. As it is, the Syrians need to be told by their friends that they are in a much better position now to talk than to fight. The new Soviet equipment and advisers would doubtless raise Israel's costs in a war, but Israeli forces would still have marked advantages. For one thing, Israeli guns already cover Damascus. Syria can see that only a few Arab states — Libya, Southern Yemen — support its denunciation of the Israel-Lebanon accord. The others favor a Syrian deal with Lebanon to make Lebanon a buffer between Syria and Israel and put the governance of Lebanon back in the hands of the Lebanese.

That Israel has reason to quit Lebanon is plain from the bitterness of much of the Israeli public at the high casualties and arguable political gains of the invasion. The continuing casualties compel Israel to consider an early unilateral withdrawal to less vulnerable, more sustainable line halfway back to its own territory. Such a withdrawal would only highlight Syria's inflexibility.

Everyone in the Middle East understands that Syria demands a special position in eastern Lebanon. Does it demand an indefinite occupation? One that leaves Israel with a strategic advantage? One that plays directly into the hands of Israel? West Bank annexationists? That tends to keep America firmly at Israel's side while the area keeps worrying about war?

—THE WASHINGTON POST.

The Bee Hypothesis

President Ronald Reagan and both of his secretaries of state have denounced the Soviet Union for supplying a toxin weapon to its Vietnamese allies in Laos and Cambodia. Citing samples of toxin-containing "yellow rain," they suggested violation of two treaties against such weapons, with ominous implications for other arms control agreements.

But study by a Harvard biologist raises the possibility that those trumpeted spots of yellow rain are merely the excreta of bees.

Not until after the State Department publicized its charges did it learn that yellow rain, a presumably sophisticated chemical weapon, contained an odd substance — pollen. Administration spokesmen then suggested that the pollen may have been used to grow the funguses that make the toxins.

But U.S. scientific advisers apparently failed to consider another explanation. That explanation, tracing the pollen to a natural source, was compellingly described last week by the biologist Matthew Meselson of Harvard. It appears that bees of the genus *Apis*, like the honeybee and its cousins in Southeast Asia, stay in their nests all winter without defecating. In the spring, they emerge on cleansing flights, excreting drops of digested pollen grains. Samples that Mr. Meselson gathered in Massachusetts strongly resemble the yellow rain samples retrieved from Southeast Asia.

The spring cleaning flights might explain why toxic yellow rain samples have been retrieved only in February, March and April, even though chemical attacks are reported throughout the year. Mr. Meselson has detected bee hairs both in Massachusetts bee excrement and in a sample of yellow rain. He has noticed that bee excrement is often infested by fungi. He does not know how the toxins got in the yellow rain or into people whom the State

Department identified as victims of chemical attack. But if yellow rain is indeed bee excrement, it is easy to imagine it being infested by the *Fusarium* fungus species indigenous to Southeast Asia. The toxins might also contaminate the food supply of the region.

Though the State Department has known the gist of Mr. Meselson's argument for several weeks, its response so far has been decidedly limp. Its only serious point is that three of the toxin-bearing samples contain no pollen. But one sample is of water in which yellow rain fell, out of yellow rain itself. The other two are from gas masks retrieved in Afghanistan, the toxin being detected only on the outer surface of the mask, out in the filters where it might be expected.

The bee excrement hypothesis does not account for everything going on in Southeast Asia, but it would explain a lot about yellow rain. The administration's stumbler stumble on the fact that yellow rain contains far too little toxin to make a useful weapon.

It is too soon to pronounce either the administration's theory or Mr. Meselson's as proven. But it is time enough to deplore that high officials were put in a position where such doubts could arise. The scientific advice the administration drew upon is evidently insufficient. The failure to notice that yellow rain is yellow because of its pollen content was a ludicrous oversight. And the bee hypothesis should at least have occurred to someone.

The U.S. charges have poisoned relations with the Soviet Union and confidence in its respect for treads.

The charges need to be further tested without delay. That can best be done by handing the problem, and available yellow rain samples, to competent, independent experts.

—THE NEW YORK TIMES.

Two Kinds of Rights

Will Walter Polovchak, the 15-year-old would-be political refugee in Chicago, be sent back to the Soviet Union against his will? The notion that such a result is even discussed by rational men and women infuriates some Americans. Stressing the nation's history as a land of refuge that has welcomed the persecuted, many would argue that any individual with a justified fear of persecution, particularly in the Soviet Union, ought to be allowed to stay. Others question whether a child should be able to make such a painful decision against the wishes of his parents.

Last week the Supreme Court of the state of Illinois affirmed a lower court in holding that Walter should never have been removed from his parents' custody when he sought asylum at the age of 12. The parents were immigrants from the Ukraine who were disappointed with life in the United States. When they decided to return home, Walter and his sister, Natalie, wanted to stay. This was no problem for Natalie, who was 17 at the time, but in order to preserve Walter's claim, juvenile officials removed him from his parents' custody and made him a ward of the state. It is that decision that the Illinois high court recently reversed.

—THE WASHINGTON POST.

FROM OUR JUNE 6 PAGES, 75 AND 50 YEARS AGO

1908: The Shah About to Flee?

TEHRAN — It is rumored that the shah has sent all his jewels to Russia, and it is believed that he intends to leave for that country. It was stated that by the Turcomanians treaty, Russia undertook to maintain the Kajar dynasty on the Persian throne and that the shah will therefore return with a Russian force to put down the present movement. In Berlin the Wilhelmstrasse is closely watching the dangerous developments in Persia. Germany's interests are far more important than is generally known. It is realized here that in case of intervention, Germany must be seriously consulted and considered. It is stated that the shah has not fled, but is reposing.

1933: Australian Wins in Paris

PARIS — The men's singles title of the French tennis championships passed overseas for the first time in its history when Henri Cochet was beaten by Jack Crawford of Australia. Crawford five years ago as a coming champion. Crawford finally came into his own in a remarkable match on the center court at Antwerp in which he defeated the formerly invincible little Frenchman in straight sets, 6-6, 6-1, 6-3. Miss Peggy Scriven of Great Britain, unseeded in the tournament and unranked in the first 10 at home, became the first Englishwoman ever to win the French women's singles title, defeating Madame Simone Mathieu 6-2, 4-6 in the final round.

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Whence El Niño's Wrath?

By William Safire

WASHINGTON — The gravest question facing the world today is: Who or what is tampering with El Niño?

El Niño de Navidad

Spanish for "the Christ child," because of its appearance each year around Christmastime — is the warm current that flows down the Pacific coast of South America, periodically playing havoc with fishing and even reversing the direction of trade winds. Most years, this "southern oscillation" is pushed back out to sea by the icy Humboldt current, in which anchovies gambo. Not last year or this.

This spring the most persistent El Niño in a century has caused storms in Texas, tornadoes in California, persistent rain in Paris and floods in West Germany. The world has rarely been so wet; prudent people can hardly be blamed for thinking about arks.

2. The Russians

Certainly the motive is present. Marxist-Leninists have much to gain from economic dislocation throughout the world, and revolution breeds best where the skies are cloudy all day. Could our a technocracy capable of shipping the gas of Siberia to the kitchens of Europe also be able to divert one ocean current?

What was America's Glomar Explorer looking for down there anyway? Moscow has been outspending America 10-to-1 on bathymeters, and neo-oscillations have been deriding our efforts to catch up.

3. Volcanoes

Some crackbrained meteorologists argue that the eruption of El Chichón in Mexico,

I predicted 10 years ago that the use of electronic fish-finders by greedy Latin fishermen in the face of El Niño would lead to decimation of the catch, a worldwide protein shortage and an explosion of inflation. Since all this came to pass, the punch is on top of the El Niño story intends to stay there.

Who or what is behind El Niño's rampage?

Round up the usual suspects:

1. Right-wing Peruvian fishing interests.

This theory doesn't hold water. Fishermen have learned not to tamper with El Niño by

more credible than drive about volcano soot.

5. God

Modern theologians are loath to attribute stress-causing vengeance to a Divine Being, but who is to say He hasn't given good reason to rain down hailstones? Those who tend to dismiss this hypothesis are given pause by the name of the current.

6. The Devil

It could be that the previous Suspect is not angry yet may consider another test of faith

to be desirable. In that case El Niño could be put in the hands of the Prince of Mud Slides for a year or so, temporarily to visit injustice on home owners and to reward renters.

None of these potential causes for the affliction of El Niño can be ruled out, with the exception of volcanoes, which is ridiculous. Personally, I tend to blame the Russians. If they're not doing it, they're probably getting away with something else, and it evens out.

The New York Times

The Superpowers Approach a Dangerous Line in the Mideast

By William Pfaff

PARIS — The haunting risk for Israel is that it might one day be left alone to fight its own battles. There is danger to Israel in every development that tends to isolate the Middle East from superpower conflict. There is, equally, a fundamental Israeli interest in internationalizing every issue of tension involving Israel, the Palestinians and other Arabs.

The Palestinians have found increasing sympathy in American opinion. Any threat to Israel is thus presented by Jerusalem as ultimately a Soviet threat, or at least one that will benefit the Soviet Union. Every success by Israel is painted as a success for the United States, Western interests.

The Russians, of course, want to come back as a force in Middle Eastern affairs. They have chosen to do that by guaranteeing Syria's security, backing that guarantee not only with new arms — to replace those lost in the fighting last summer — but with troops estimated to number 6,000 or more. The troops are there as a deterrent, manning SA-5 (and other) anti-aircraft missile defenses for Syria, and providing radar surveillance of the eastern Mediterranean.

The Russians control their own installations in Syria, keeping Syrians outside. Yuri Andropov himself said last December that Syria can "have confidence in us. The Soviet Union will not permit Syria to be defeated again." The Kremlin has never let equipment of such high technology be installed abroad, nor placed its people in so exposed a position.

Israel is constrained by the new

Soviet deployment, but also benefits from it. The Soviet presence in Syria is a further guarantee that the United States will remain behind Israel. The American commitment to Israel, and U.S. support for the government in Lebanon, impels the Soviet Union to remain in Syria.

Yet for either the Soviet Union or the United States is there a fundamental strategic interest in these commitments — at least as geopolitically calculated. The control of the southern and eastern

ern littorals of the eastern Mediterranean is of secondary consequence. No oil, no strategic resources, no crucial communication routes are at stake. The commitments of both Washington and Moscow are those kinds of commitments that follow from political principle (or settlement), from ideology, from prestige and immediate advantage.

This has been good enough until now. The Russians have taken and defended the Middle Eastern positions available to them. They have

International Herald Tribune.

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For Arafat, No Escape Is in Sight

By David Pryce-Jones

LONDON — Exactly one year after Israel invaded Lebanon, the Palestine Liberation Organization has reached the end of the road. There are no more Arab sponsors to turn to, no more Arab countries in which to operate independently. War cannot be waged in the circumstances, but peace cannot be promoted either. In confusion, PLO members now attack one another.

Yasser Arafat has only himself to blame. Having put the PLO together in its present form after the Six-Day

War, he has been responsible for choosing to resolve the Israeli-Palestinian deadlock by force. During the PLO's brief but turbulent existence, Mr. Arafat has seen to it that every single proposal for sharing land with Israel has been rejected.

Io all likelihood, Mr. Arafat does not really believe that force of arms can ever settle the dispute with Israel in his favor. But he has always be-

haved as though he had a power base, a territory, reliable sources of finance and armaments. That has not been the case. At best, he was exploiting the point where American and Soviet interests in the Middle East either overlap or collide. At worst, he was fantasizing.

One Arab regime after another has been dismayed to discover that it was invited to surrender sovereignty for the sake of the PLO and its cause. Civil war, first in Jordan, then in Lebanon, followed. Here was suicide rather than liberation. Jordanian troops, Syrian troops, Lebanese militias, have each in turn pounded on the PLO, killing far larger numbers of them than Israel has ever done.

The PLO policy of using force as the sole means of settling the dispute with Israel effectively ended last summer in Beirut. The insanity of the PLO as a liberation army was exposed through its dismantlement at the hands of the Israelis.

For a while, the hope persisted that at last Mr. Arafat would convert the PLO into the political pressure group that it might have been all along; but little came of it.

Palestinian confidence in the PLO has never been so low. Within the PLO itself, morale, at first shaken, now seems to have been broken. Until recently, Mr. Arafat seemed to have guarded himself against a coup from within. Several potential rivals have either been killed in various bouts of fighting — all mysteriously — or assassinated. Now, President Hafez al-Assad of Syria holds the key. More or less as he sees fit, he can maintain Mr. Arafat and the PLO as useful proxies, or suppress them as a nuisance. His hand might be forced in the face of the mutiny in the PLO, or of his brinkmanship with Israel developing into war. Syria will not tolerate PLO autonomy.

This comment, by the author of "The Face of Defeat: Palestinian Refugees and Guerrillas," is excerpted from an article in the Los Angeles Times.

The Mystery of Thatcher's Appeal, and the Risk

By Anthony Lewis

extent to the question: Is Labor fit to govern?

But the positive appeal of Mrs. Thatcher is as much a fact as Labor's negative. Despite her committed rightist ideology, she has support across much of the political spectrum.

When she led the Tories to victory in 1979, she took more votes from Labor in the working class than in any other category — and she is likely to take even more this time.

How does she do it? Mrs. Thatcher's opponents are mystified by what seems to them the appeal of an authoritarian personality. "I can't understand it," one said, "unless we're a nation of masochists, the nanny complex." But you hear something different from the public.

"She knows what she wants." That is what people say about Margaret Thatcher, and what they like. "She has her ideas." "She doesn't change her mind."

Britons in 1983 evidently yearn for strong leadership, for consistency, whatever its direction. Perhaps they associate the recent years of economic decline with opportunistic political leaders, with governments that gave way again and again to interest-group pressures. No doubt nostalgia

plays a part, too: for a Churchillian Britain that stood for principle.

It was the Falklands war that made Mrs. Thatcher a symbol of resolution. Before it she had shown signs of wavering in domestic policies; her approval rating in opinion polls was a dismal 25 percent, reflecting the bad state of the economy. As she fought the Argentines, and won, she zoomed to nearly 60 percent.

The extraordinary thing is that the standing prime minister is able to stick to her economic guns — and the public admires her for doing so. Touring the Birmingham area, where unemployment is as high as 18 percent

LETTERS TO THE EDITOR

Sphere of Influence

The International Herald Tribune has been stuffing its editorial page with tendentious, caustic arguments by a battery of columnists and editorial writers opposing U.S. efforts to stem the advance of communism in Central America. To make matters worse, rebuttals of these fallacious arguments have appeared in the Letters columns with astounding rarity.

Do readers really universally concur with William Pfaff, Anthony Lewis, Flora Lewis, Philip Geyelin, Stanley Meisler, Stephen S. Rosenfeld, Tom Wicker, James Reston and the editorial writers of The Washington Post and The New York Times?

The basic theme of these efforts is that the United States should not enter overtly or covertly a struggle that it cannot win; and that "what has been happening in Central America is caused primarily by economic and social forces that are inherent in the region and derive much of their character from a history of repeated North American interventions." (William Pfaff, IHT, May 21.) I point out parenthetically, that the Soviet Union would concur wholeheartedly with Mr. Pfaff's interpretation.

In his column of April 30, Mr. Pfaff referred proudly to the late Walter Lippmann, whom he called the Vietnam War's "most eloquent opponent." The implication was that if Mr. Lippmann were alive he would agree with Mr. Pfaff.

Is Mr. Pfaff not aware that

Regarding "Kuwait's Parliament Shows Independence" (IHT, May 26) by David Ottaway:

When this article states that the National Assembly "has no intention of becoming a rubber stamp," the suggestion seems to be that the government rejected it for that reason. If anything, however, the government is more liberal than the assembly. Kuwait is in the enviable position of having a very popular and successful ruling family. It does not need rubber stamps.

The National Assembly was freely elected from a field of 446 candidates — a huge number, considering the size of Kuwait. Of the 50 elected members, 94 percent are supportive of the government, reflecting the strong pro-government disposition of their constituents. Only the 16 ministers are directly appointed by the government, and they are easily outnumbered by the 50 elected members of the National Assembly. The government obviously does not need apologists.

Secondly, it is not fair to say that only 3 percent of the population is eligible to vote. It should be made clear that fully 60 percent of the

sole U.S. military intervention approved by Walter Lippmann during the post-World War II period was in Santo Domingo? Mr. Lippmann was against U.S. involvement in Vietnam primarily because of his doctrinaire view that the United States was an air and sea power and should never fight a land war in Asia. Conversely, Mr. Lippmann did believe that Central America was within the U.S. sphere of influence, and that the United States should effectively intervene there.

K.H. HECHT
Sohn, Sweden.

Ron the Charmer

Regarding the editorial excerpt "Doubts on Williamsburg" (Other Opinion, May 27):

The writer questioned whether previous economic summits had been worthwhile. But they, at least, did not have Ronald Reagan.

Since so many of us have grown up in a Hollywood generation, maybe it is asking too much for leaders at an economic summit to recognize the disastrous policies of a charming movie star.

WALTER KEARNS
London.

Bus Drivers, Too

Regarding "The Re-education of New York Drivers" (IHT, May 17):

Your story delighted, but also reminded me that about 10 years ago I wrote to City Hall pleading for action against bus drivers — the

A. BILLAM
Paris.

More Than Meets the Outsider's Eye

1.4 million inhabitants of Kuwait are expatriates. No country allows voting privileges to noncitizens.

Moreover, of the small Kuwaiti population, more than half are minors; according to the 1980 census, Kuwait is, demographically, one of the youngest countries in the world.

Of the 44,000 registered voters, about 30 percent exercised their right to vote in the last elections — a much higher turnout than in many Western democracies.

Thirdly, Parliament was not dissolved because it "publicly insulted the ruling family and questioned its right to rule." The assembly as a whole never insulted the al-Sabah; an isolated instance should not be read as indicative of the entire body. The opposition to the royal family has been very much the loyal opposition.

Nor was the legitimacy of the ruling family questioned. The first emir, Sheikh Sabah, was elected among inter-pares, as he were — by the tribes living in Kuwait. The succession has continued, not from father to son but to the most worthy in the ruling family.

FAISAL AL-SALEM,
Permanent Delegate of Kuwait,
UNESCO, Paris.

The decision to suspend the assembly was prompted mainly by the fact that it was not performing its function. The national budget was delayed for months, for example, by Byzantine debates among special-interest groups. (Thereafter, the Council of Ministers concluded in one session legislation that had remained unsettled in 10 sessions of the National Assembly.) It is significant that the press, which is quite vocal in Kuwait, supported the move. Nor were there strikes or demonstrations. By and large, Kuwaitis were aware of the impasse in Parliament and did not object to the emergency move.

If federal authorities do not act, he said, "my guess is that you are going to see legislation to do something about this." However, there has not been a fatal in-flight fire aboard a U.S. jetliner.

While I found Mr. Ottaway's article informative, I think it is difficult for outsiders to capture the feeling of Kuwaiti politics. Whatever differences Kuwaitis may have among themselves, there is a basic solidarity. The constant references to being "one family" ring true. Kuwaitis close ranks when faced with external threat or criticism.

Mr. Levitt, whose Public Works subcommittee on oversight will hold its third major series of hearings on airline fire safety next month, said materials are available that are flame resistant, produce less smoke and are less toxic than those now in use.

If federal authorities do not act, he said, "my guess is that you are going to see legislation to do something about this." However, there has not been a fatal in-flight fire aboard a U.S. jetliner.

The Federal Aviation Administration has concentrated its efforts on controlling and preventing blazes caused by crashes. Crashes cause fuel to spew into the air as an explosive mix. Efforts are underway to prevent the formation of that mix.

Mr. Levitt blamed the failure to take more aggressive action to prevent and control in-flight fires on bureaucratic quarreling and resistance.

U.S. Agency Sought Jet Lavatory Alarms

By Rudy Abramson
Los Angeles Times Service

WASHINGTON — Nearly a decade ago, following a tragedy similar to Thursday's fatal Air Canada incident in Cincinnati, the U.S. National Transportation Safety Board recommended the installation of smoke detectors in the lavatories of commercial jetliners. The recommendation was never put into effect.

As a result of a fire that apparently started in a lavatory aboard the Air Canada DC-9 flying from Dallas-Fort Worth airport to Toronto, 23 passengers died Thursday. Moments after the smoke-filled plane made an emergency landing, flames raced the length of the passenger compartment.

In the accident that produced the call for smoke detectors, 123 passengers died aboard a Boeing 707 that also had made a successful emergency landing at Paris.

I am distressed," he said, "that the safety board has not been able to get the FAA to face these issues."

Last year, in another round of hearings, Jim Burnett, the acting chairman of the National Transportation Safety Board, told the House panel that after nearly 20 years of dialogue, an ambitious program had been undertaken to study the fire problem in a systematic manner.

Circuit Breakers Popped

An official investigating the fatal Air Canada fire said Saturday that the pilot's logbook showed electrical circuit breakers popped in the rear lavatory area shortly before smoke engulfed the craft, United Press International reported from Florence, Kentucky.

Investigators are concentrating on the aft lavatory area, said Donald Engen, a member of the National Transportation Safety Board.

Mr. Engen said it appears less likely that a cigarette caused the fire, but added that electrical problems could not be blamed at this time.

"The pilot was aware of a problem in the aft lavatory because in his maintenance logs he had recorded that there were some circuit breakers that had popped in the aft-lavatory section," Mr. Engen said. "He attempted to reset them, but they would not reset."

Mr. Engen said the circuit breakers were connected to a motor in the lavatory system. Asked if the results indicated the fire was due to an electrical malfunction, he said, "Not necessarily; at this point it means that there was a short."

After the circuits popped, Mr. Engen said, the pilot lost his electrical system and could not see his instruments. The air traffic controller helped him land, giving such basic instructions as "turn left."

ance from the industry. There have been estimates that new aircraft interiors could be installed for an additional 2 cents a passenger ticket.

Since 1970, the National Transportation Safety Board has made at least a half-dozen recommendations for steps to reduce cabin fire hazards aboard aircraft, disagreeing with the Federal Aviation Administration's more conservative approach.

Statistics show that 20 percent of all air-carrier accidents involve fire and that 15 percent to 20 percent of the fatalities in such accidents result solely from the effects of fire or smoke. Three years ago, James R. King, then the chairman of the safety board, told Mr. Levitt's subcommittee that several solutions are available for improving cabin fire safety.

"I am distressed," he said, "that the safety board has not been able to get the FAA to face these issues."

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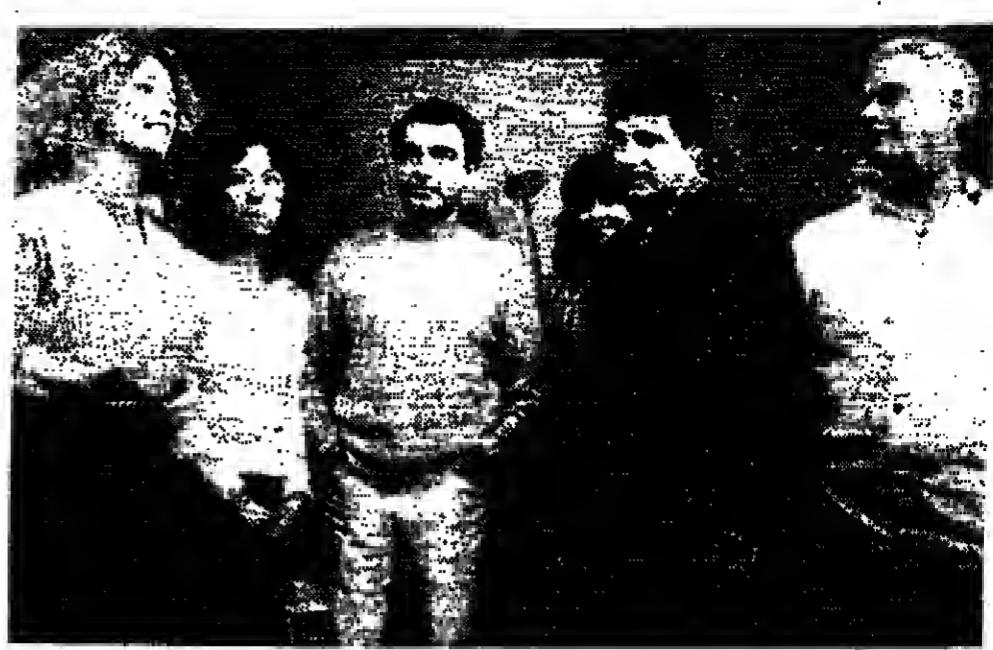
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The pilot who safely landed the burning Air Canada jetliner, Donald Cameron, right, with his crew. Eighteen passengers and the crew escaped within 30 seconds, but 23 died.

Qaddafi Appears Unexpectedly As OAU Prepares for Conference

The Associated Press

ADDIS ABABA, Ethiopia — Colonel Muammar Qaddafi of Libya appeared unexpectedly here Sunday night on the eve of an African summit conference to play a personal role in the Western Sahara.

Delegates who reported his arrival said it threw preparations for the conference into confusion.

Delegates said Colonel Qaddafi flew to Addis Ababa as African leaders tried for the third time in two years to convene a summit conference of the Organization of African Unity.

Lower-level Libyan officials normally attend OAU summit meetings and, earlier in the day, conference sources said they believed it unlikely that Colonel Qaddafi would appear.

Arab delegates said they did not know the reason for Colonel Qaddafi's arrival. Some speculated that he still was seeking to become OAU chairman, a position denied him last year when two summit conferences scheduled in Libya collapsed in stalemates over North African issues.

Others said Colonel Qaddafi's presence should increase the chances of searing Polisario front guerrillas in the summit conference as representatives of Western Sahara.

Polisario guerrillas, backed by Libya and Algeria, have been fighting for eight years to win control of the area from Morocco. Polisario's presence at the OAU's 51st member meeting provoked a Moroccan-led boycott that forced cancellation of a meeting in Tripoli, Libya, a year ago.

An official statement, the first released here since the conflict flared on April 18, said Nigerian forces had failed to respect a peace formula between the two neighbors. It contradicted a statement by the Nigerian government Saturday alleging that Chad's forces were bombarding Nigerian army positions.

Morocco commanded enough support then to prevent the OAU from achieving a quorum of 34 members.

Delegates said Colonel Qaddafi's arrival threw into question an expected meeting of a 12-nation contact group assigned to seek a compromise on Western Sahara, as well as proposed compromise formulas that would deny Polisario an immediate seat in the summit conference.

They said one possibility was holding an informal session of all OAU delegations present in Addis Ababa on Monday, before the scheduled formal opening, to discuss Western Sahara.

Peter Onu, Nigerian assistant secretary-general of the OAU, discounted suggestions that Western Sahara might force another cancellation.

Nigeria Raids Killed Hundreds, Chad Says

Reuters

NDJAMENA, Chad — Chad accused Nigeria on Sunday of killing several hundred people during an assault on the summit conference.

President Daniel Arap Moi, the OAU chairman, has criticized the "unilateral decision" to admit Polisario, and many delegates say Mr. Onu's rival, Hissene Habré.

One possible casualty of the Saharan dispute is Mr. Onu, who is seeking endorsement for another five-year term as secretary-general.

President Daniel Arap Moi, the OAU chairman, has criticized the "unilateral decision" to admit Polisario, and many delegates say Mr. Onu's rival, Hissene Habré.

Earlier, diplomats said the Ethiopian Foreign Ministry had told several embassies to ignore invitations to Monday's conference opening, indicating that the ceremony might be delayed.

Officials in the OAU Secretariat insisted that the conference would start as planned.

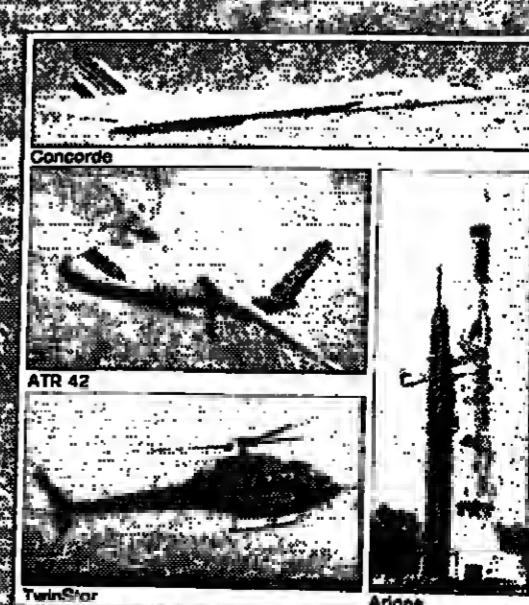
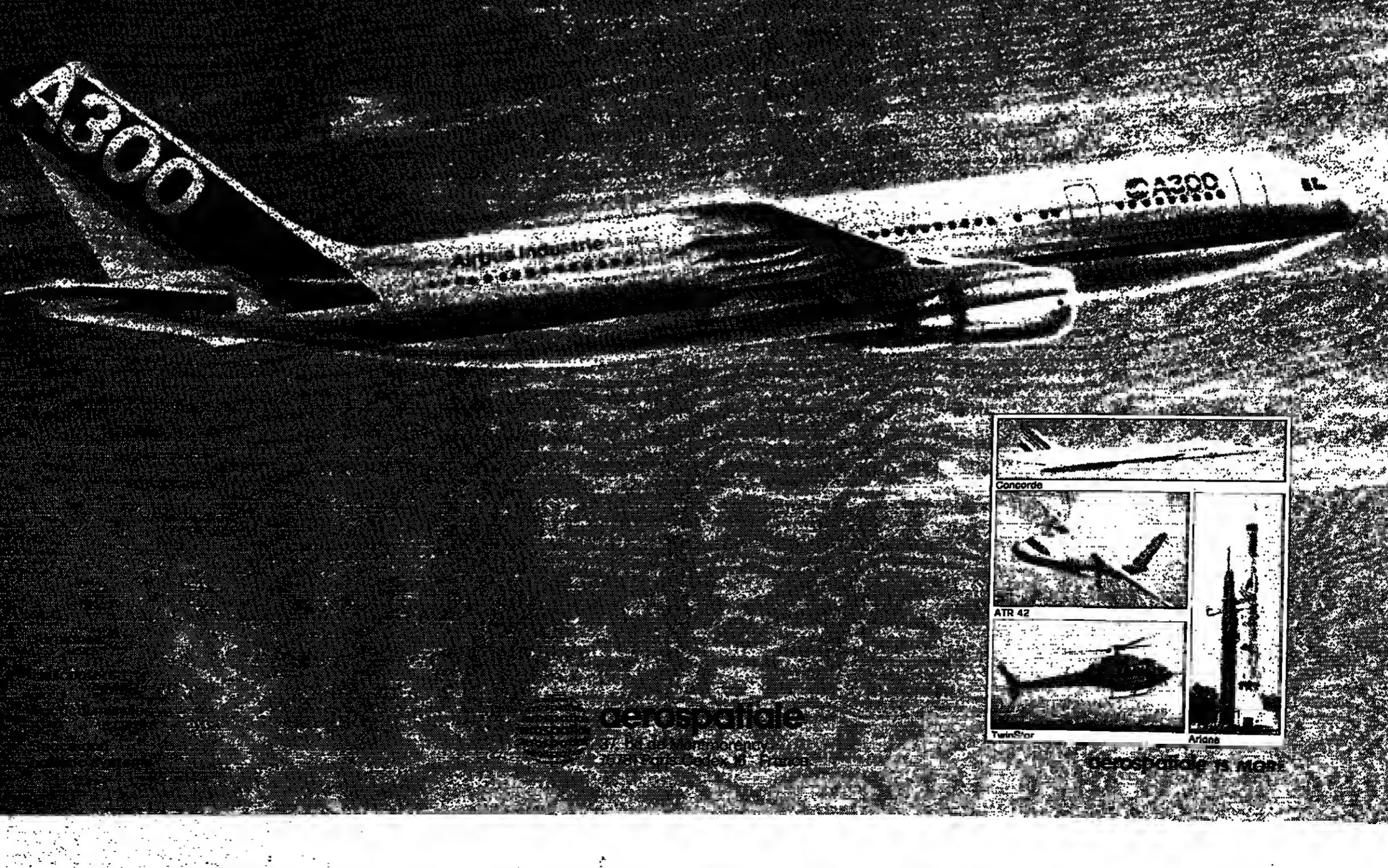
Morocco contends that the OAU's secretary-general, Edem Kodjo of Togo, exceeded his authority in admitting the Saharan Arab Democratic Republic, proclaimed by Polisario after OAU nations had called for a cease-fire and referendum in the desert territory.

Polisario voluntarily stayed away from a subsequent gathering in Tripoli in November, but that summit conference collapsed when Libya backed the faction of Goukouni Oueddei as representing Chad, instead of Mr. Onu's rival, Hissene Habré.

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of June 2

July 1st 1983

Herald Tribune

BUSINESS/FINANCE

MONDAY, JUNE 6, 1983

EUROBONDS OECD Aid Climbed In 1982

By CARL GEWERTZ

Delay in Fall in Interest Rates Could Threaten a Market Shakeout

PARIS — Activity in the Eurobond market came to a near halt last week as participants held their breath waiting for the late Friday news from New York about the U.S. money supply.

That news was positive: The M-1 measure slipped \$400 million in the latest week after four weeks of continuous rises totaling around \$15 billion. But the modest dip did little to instill confidence in the credit markets.

Prices in the New York market continued to decline, pushing up yields, after the money-supply news was announced and the cost of overnight money, the federal funds rate, hardened to 8% percent.

While analysts insisted that there still was no evidence that the Federal Reserve was actively putting upward pressure on interest rates, no one was predicting an imminent decline in rates.

Many experts now are focusing on the money-supply bulge forecast for the coming two weeks and the economic data indicating a robust pick-up in economic activity to explain why rates will not decline in the immediate future.

This is potentially bad news for the Eurobond market. The fundamental optimism of the market has been based on the premise that to sustain the U.S. economic recovery, the Fed would be obliged to lower interest rates. But each week's delay in seeing this happen erodes the complacency of underwriters and traders who have loaded up on inventory in the anticipation of big capital gains when rates do fall.

Carrying this inventory is still a profitable exercise — the short-term cost of borrowed funds to finance the holdings is comfortably below the interest earned — but the talk among professionals indicates they are reassessing this strategy. If this were to lead to a desire to lighten their holdings, the market could be in for quite a shakeout.

Yields on dollar-denominated Eurobonds are at least a quarter-point lower than on comparably rated paper in the U.S. market, meaning prices here could drop almost two points before yields become equal to those in New York. And given the current lack of investor interest in bonds, bankers here fear that active selling pressure could easily snowball into a rout.

As the spokesman of one major trading house put it, "This market could not accommodate an inventory liquidation."

Another commented: "The complacency about holding large positions is gone. My instincts tell me that rates are not going to climb. But if the recovery is stronger than expected and the demand for cash to finance inventories begins to compete with the Treasury's need to finance the budget deficit, things could get very rough."

Market Still Calm

Amid all this uncertainty, the market remains calm. There is no suggestion that banks are about to lose their confidence. But in the absence of any real retail demand, new-issue activity remains subdued.

Only one straight dollar issue was launched last week, \$125 million for Revlon. Analysts admired the courage of Revlon in tapping the market only days after the rating of its U.S. paper was cut from a weak double-A to a strong single-A, and they estimated that the company was saving at least a quarter-point by issuing its paper here instead of New York.

Revlon is a household name in Europe and the issue is only the fifth U.S. corporate full-coupon bond so far this year; dealers said in explaining its appeal. Nevertheless, the seven-year noncallable bonds, offered at par bearing a coupon of 8%, ended the week quoted at 98%.

Tapping investor enthusiasm for equities, two convertible issues were

(Continued on Page 9, Col. 1)

Further Increase Expected for '83

By CARL GEWERTZ

EUROBONDS

OECD Aid Climbed In 1982

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By CAR

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NEW EUROBOND ISSUES

Borrower	Amount (millions)	Maturity	Coupon	Price	Yield At Offer	Terms
Citicorp	scd40	1990	11 1/4	100	11 1/4	Callable after 1986 at 101. A 5-year sinking fund will operate from 1985.
Orient Leasing (Caribbean)	dns30	1988	9	100	9	Noncallable.

Bond Market Still Worried By Rates

(Continued from Page 7)

marketed last week — \$30 million for Orient Leasing and \$15 million for Pandick Press. But the market clearly did not find Orient Leasing's 3% percent coupon appealing and the price ended the week quoted at 96¢ after being priced at par.

In the floating-rate market, Belgium issued \$50 million of seven-year notes bearing interest at the standard quarter-point over the six-month interbank rate. The issue was managed and placed entirely by Nordic banks, who said they could easily have sold \$60 million if Belgium had been willing to increase the amount.

The Singapore branch of Sainsbury Bank Ltd. is offering \$20 million of floating-rate certificates of deposit. Interest will be set at 3/16 point over the six-month Singapore interbank offered rate for the first three years and a quarter-point over for the fourth year.

Trinidad and Tobago is also tapping the market for \$30 million, but this is widely regarded as a syndicated bank loan dressed up to look like a public issue.

In the Deutsche mark sector, new-issue activity was dormant but a rise in domestic interest rates and a further weakening of the mark against the dollar in the foreign-exchange market did nothing to spur foreign interest in DM bonds.

The federal government announced a 1.6-billion DM, 10-year issue bearing a coupon of 3% percent and priced at 99¢ to yield 8.33 percent. The 3% percent coupon compares with an interest rate of 7/8 percent set on the federal government's last 1.6-billion DM issue marketed at the beginning of May.

The World Bank's seven-year bonds bearing a coupon of 7/8 percent were quoted at 98¾.

Even the guilder market, where coupons are higher, failed to attract investors with an offering by Orient Leasing of 30 million guilders of five-year notes sold at par bearing a coupon of 9 percent.

By contrast, bankers reported good demand for Citicorp's issue of 40 million European currency units. The seven-year bonds were sold at par bearing a coupon of 11 1/4 percent.

From Tokyo, Reuters reported that Fuji Photo Film plans to issue 100 million guilders of 10-year convertible bonds next month. A subsidiary, Fuji Film NV, is building a film factory in the Netherlands to start production in mid-1984.

Rhythm Watch will also offer an equity-linked issue. It plans to issue 50 million DM of five-year bonds carrying warrants to purchase its common stock.

International Herald Tribune

Spanish Euroloan Bid Meets Surprising Success

By Carl Gewirtz
International Herald Tribune

PARIS — The invitation to underwrite Spain's \$600-million syndicated Euroloan closed Friday and to the general surprise of all concerned, \$830 million had been committed by 35 banks.

A meeting between Spanish officials and the banking consortium will be held late this week to decide whether to increase the loan, which seems very probable. The loan will then move into general syndication.

The underwriters include 12 banks from Japan, nine from North America, four from Spain and 10 from Europe, the Middle East and Australia.

At the lead manager level, 70 percent of the loan will be priced using the London interbank offered rate as the base rate. The remainder will be based on the prime rate of U.S. banks — conforming to the borrower's request that the major portion of the loan be tied to Libor, which is usually lower than the prime rate for the fourth year.

Bankers ascribed the initial success to the realistic pricing — a margin of 3/4 point over Libor for the eight-year portion of the loan and a split 3/4-3/4 point over Libor for the five-year loan, along with front-end fees set to favor Libor users.

In addition, there is little else competing in the market.

While much time is being spent talking about how the European Community will finance the \$3.7-billion loan France has requested,

the package is not expected to surface immediately.

The market currently assumes that up to \$1.5 billion will be raised in the form of a floating-rate note bearing a maturity of five years — this is, set to appeal to central banks that invest their reserves in the Euromarket.

The bulk of the remainder is expected to be a classic syndicated loan, although bankers talk about

SYNDICATED LOANS

the possibility of raising a small portion of this through a fixed-coupon bond issue denominated in European currency units and possibly another portion in a U.S. dollar bond.

Still heatedly debated is whether the EC can syndicate its loan with a margin starting at a thin 3/4 point over Libor. No one contests the EC's claim to merit such pricing, but while French bankers say that a loan with a 3% percent element can be marketed a number of other bankers say they just cannot afford to put such low-priced assets on their books.

The Danish Export Finance Corp. is in the market for \$150 million, offering terms optically finer than the government itself paid earlier this year. DEFC is paying half a point over Libor for the first three years and 3/4 point over for the final four years, compared to the government's 1/2 point margin for only two years and 3/4 point for five years.

However, DEFC's four-year grace period is shorter by one year

and fees paid to the banks are about five basis points higher. But bankers explain that there is other, more profitable business to be generated with DEFC that could come their way for having participated in this loan.

South Korea's Export-Import Bank benefited from the same thinking as well as from the improved conditions it offered lenders. Its eight-year, \$300-million loan was well received, with the 18 lead managers selling their original \$37 million commitments down to just under \$14 million each.

The margin, a split 3/4-3/4 point over Libor, was an improvement over the 3/4 point margin that South Korea had paid previously, and the optional pricing over the prime rate was a first. However, bankers question whether the next borrower, rumored to be the electric power company Kepco, will be able to match the terms of the Export-Import Bank.

The Electricity Generating Authority of Thailand is currently seeking bids from banks to market \$60 million of floating-rate notes.

The use of the floating-rate note formula is aimed at keeping down the optical margin — a quarter-point over Libor — and masking

the increase in cost through higher commissions to banks taking the paper.

In the Middle East, Abu Dhabi Gas is expected to award a mandate to banks to raise \$300 million for eight years at a split 1/2-3/4 point over Libor.

From Latin America, Brazil announced plans to seek up to an additional \$2 billion in a medium-term loan to fill in the shortfall in its interbank lines. Bankers said they were awaiting new government proposals on how to reduce spending.

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The Electric Power Company of Mexico, which is being coordinated by a 13-bank advisory committee, several participants at the meeting suggested that a similar structure with wider international representation, would meet greater success in attracting funds for Brazil.

Banking sources said Mr. Volcker called the meeting to review the progress of Brazil's financing pro-

French Airline to Buy 20 New-Type Airbuses

By Axel Krause

International Herald Tribune

LE BOURGET, France — Prime Minister Pierre Mauroy of France has announced that Air Inter, the state-owned domestic airline, will order 20 A-320s, a new-generation Airbus aircraft with a capacity of about 150 passengers.

Speaking at the Paris Air Show Saturday, Mr. Mauroy said that efforts to launch the aircraft had entered "a decisive phase."

He said that France "should agree with its partners to the start-up of the program within the next several months."

Industry sources said he was referring primarily to West Germany and Britain, the main shareholders with France in the Airbus consortium.

But Mr. Mauroy emphasized that the final decision should also be based on the results of a worldwide marketing effort by Airbus Industrie aimed at finding addi-

tional airline customers for the plane.

Mr. Mauroy also said that Air France would maintain its earlier order for 50 of the aircraft. No other airline has ordered any so far.

He did not make it clear whether these were firm orders or options to buy. Previously, Air France has said it would buy 25 A-320s with an option on 25.

The continuing and inconclusive efforts by France to obtain support for launching the A-320 were the subject of many discussions during the air show, which ended Sunday.

Senior French industry and govern-

ment officials cited the fact that the Bavarian political leader, Franz Josef Strauss, who has been chair-

man of the Airbus Industrie supervi-

sory board since the consortium

was started, will join the supervisory board of Lufthansa next month.

Mr. Strauss said last week that if

Lufthansa decides that it requires a

new, 150-seat aircraft, he would do his best to assure the airline buys

it at the lowest price.

■ Boeing to Buy Jets

Boeing said that as part of its

probable be made by transport ministers shortly after the British elections on June 9.

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man of the Airbus Industrie super-

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was started, will join the supervisory

board of Lufthansa next month.

A Boeing spokesman said Friday

that no price has been set.

Boeing will sell Singapore Air-

lines four 757s and six 747-300s,

with delivery of the 757s to begin

in late 1984.

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Address _____

City _____ Country _____

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Daily prices are published in this newspaper under 'International Funds'.

Conrail Puts Wreck Back on Track

(Continued from Page 7)

announced potential buyer, but the Transportation Department has hired the investment banking firm of Goldman, Sachs & Co. to seek others.

The government will not regain all of the \$3.3 billion sunk into Conrail. Nobody is officially estimating an exact purchase price, but the figure \$500 million recurs in conversations with railroad specialists.

For the moment, the Conrail story is of a dramatic turnaround, an operation with new rail, new signals and modernized, computerized yards.

The old Conrail story included anecdotes about dispatchers and shippers frantically searching for lost trains and "standing derails," where nonmoving boxcars literally fell off the tracks because of shabby roadbeds.

The key legislative ingredients that have contributed to Conrail's turnaround are:

• Deregulation. The Staggers Rail Act of 1980 eliminated many regulations to be met before railroads could sell services to shippers, and Conrail's management has exploited them cleverly.

• Commuter railroads. In January, at Congress' direction, Conrail abandoned the passenger business.

• Labor concessions. In 1981, the major railway unions serving Conrail agreed to a three-year, 12-percent wage concession that the Railway Labor Executives Association estimates is worth \$200 million annually to Conrail and that Conrail says has a three-year value of \$295.5 million.

• Track abandonment. Since August 1981, when new legislation permitted fast abandonment of unused or unwanted routes, Conrail has officially abandoned or sold 1,771 miles (2,843 kilometers) of track. That track comprised

credit in New York, something that would have been impossible a year earlier.

Autos and steel have been the bases of Conrail's revenue. The railroad has invested heavily in coal-loading equipment in hopes of increasing its share of the potentially lucrative export coal trade.

Conrail is pushing to divert more freight from trucks with an aggressive marketing program to carry truck trailers on rail cars. Nonetheless, Conrail's territory is the Northeast, which is losing population and industry.

The ultimate question, posed by the USRA in a report in April, was: Is it possible to continue turning a profit with limited or no growth in the business base?

"We're going to find out," said Charles N. Marshall, Conrail's vice president for marketing. "I think it is."

Conrail suffered a \$585-million revenue loss because of the recession and matched it dollar for dollar on the cost side, in part by laying off 17,000 people. Then Conrail negotiated a \$100-million line of

shabby roadbeds.

Each of these proposals contains detailed suggestions about changes that should be made to international monetary and trade institutions to channel the funds to developing countries.

The main thrust of Mr. Corra's argument is that all the measures suggested in the fields of commodities, trade and money markets should be taken at the same time because they are interrelated. The Third World's Buenos Aires position papers develop UNCTAD's arguments with greater force and contain elaborate resolutions for action at Belgrade.

Indeed, developing countries are prepared so well for the conference that they appear to be capable of beginning substantive bargaining from the first day.

With the European Community and the United States, while accepting the need for concerted action in several areas simultaneously, emphasize their wish to allow commodity and money markets to function freely, without government or

NEW YORK (AP)-Weekly Over the Counter stocks giving the high, low, and last bid prices for the week with the net change from the previous week's last bid prices. All quotations supplied by the National Association of Securities Dealers, Inc., are not actual transactions, but are representative interdealer prices at which these securities could have been sold. Prices do not include retail markup, markdown or commission.

	Scales In					Net
	100s	High	Low	Last	Close	
AEC	15	10/4	9/2	18	-	%
AFG 8	4419	55	70	30	-	%
AMCD	777	8/2	7/2	14	+ 14	%
AMP1-11	5	9	5	9	+ 1	%
AVMCp	5	7	7	7	-	%
AronRt 8	x161	10/4	10/4	10/4	-	%
Astrom 220	13	9/4	8/2	9/4	+ 16	%
AcLoRes	114	6/2	6/2	6/2	+ 16	%
Accelrin	339	7/2	7/2	7/2	-	%
Accuracy 14	793	10/2	18	18/2	-	%
Actorst	43	22	22	22	-	%
ACMAT	53	12/2	12/2	12/2	-	%
AcmeGn 30	24	18/2	18/2	18/2	+ 16	%
Adope	244	5/2	5/2	5/2	-	%
AddiWm 58	182	24/2	23	24/2	+ 16	%
AdvPess	794	5/2	5/2	5/2	-	%
AdvSemi	528	29/2	27	25	-	%
AdvSysf	294	25/2	25/2	25/2	+ 16	%
Asicar	3421	21/2	15	15-14	+ 14	%
AeroSvc	1458	24	24	24	+ 16	%
Astrocy	1257	7/2	7/2	7/2	-	%
ATfbco 1.56	45	34	34	33	+ 12	%
Apimico 0.85e	862	16/2	15/2	15/2	-	%
AirCarg	13	5/2	5/2	4/2	-	%
AirFlt 9	7413	6	3/2	3/2	-	%
Airmd 5	389	11/2	10/2	11/2	-	%
Almos 6.101	103	24	20/2	31	-	%
AlSSC	61	11/2	11/2	10	-	%
AlstekM111	145	22/2	21	22/2	+ 16	%
AlstekPc 20r	179	19/2	19/2	18/2	-	%
Althenn 4	11	57	56	55	-	%
AltEx	440	21/2	21/2	21/2	-	%
Alplex	363	25/2	27/2	25/2	+ 16	%
Alpolinc 30	5	61	41	41	-	%
AlpolWer	143	6/2	6/2	6/2	+ 16	%
AlpolWer 40	45	27/2	21/2	21/2	-	%
AlpolLd	1370	25/2	25/2	25/2	-	%
AlpolOrs 46c	35	36/2	36/2	35/2	+ 16	%
AlpolCap 1d	22	25/2	25/2	25/2	-	%
AlpolDr 8	88	12/2	12/2	12/2	-	%
AlpolGr 1	4	3/2	3/2	3/2	-	%
AlpolGr un	40	21/2	21/2	21/2	-	%
AlpolHpc	479	21/2	21/2	21/2	-	%
AlpolHpc 12	12	8	7/2	7/2	-	%
AlpolLd 4	145	5/2	5/2	5/2	-	%
AlpolLd 37c	4	27/2	27/2	27/2	-	%
AlpolPc 37c	23	21/2	21/2	21/2	-	%
AlpolPc 57c	36	7/2	6/2	6/2	-	%
AlpolPc 59c	22	21/2	21/2	21/2	-	%
AlpolPc 61c	172	21/2	21/2	21/2	-	%
AlpolPc 63c	145	21/2	21/2	21/2	-	%
AlpolPc 65c	179	19/2	19/2	19/2	-	%
AlpolPc 67c	11	57	56	55	-	%
Alplex	440	21/2	21/2	21/2	-	%
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Chicago Exchange Options

For the Week Ending June 3, 1983

Over-the-Counter

	Sales In 100s						N41 Chg/pc	Sales In 100s						N61 Chg/pc
	High	Low	Close	Chg	High	Low	Close	Chg	High	Low	Close	Chg	Chg	
AGS	703	25	2724	+24	12	Kemper	1,20	430	474	478	494	+1		
ASKC	427	350	24	-307	+1	Kinder	2,00	427	384	398	200	+1		
Academy	628	206	206			Krey	.56	610	24	224	244	+1		
Accord B's	524	19	20			LDRBnk	.11	1137	1570	1520	1500	+1		
Aldrin I	137	22	2234	+23	+1	Lomb/Br	.50	925	1612	1580	1580	+1		
AirWise	1463	18	17	-174	+1	LoreDo	.61	6101	2612	24	24	+1		
AlexBd 2	172	24	394	-394	-1	LuxDfo	.46	466	1116	1014	111	+1		
AlexBd 5-99	201	204	204	-204	+1	LUTins	.24	201	224	224	214	+1		
Altos	621	201	197	-201	-1	LUTins	.24	201	224	224	214	+1		
Amcor H	591	3	244	-244	+1	LUTins	.24	201	224	224	214	+1		
AMRkt 1-34	106	146	144	-144	+1	LUTins	.24	201	224	224	214	+1		
AMRkt 3-34	451	206	2134	+213	+1	LUM&F	.20	778	444	44	446	+1		
AMT	1345	166	156	-156	+1	MCI's	.24	244	3772	3772	3772	+1		
Almgo 5-44	4124	244	71	-739	-36	MICR	.16	503	254	254	254	+1		
AMTIns 1-34	325	65	194	-194	+1	MICR	.16	503	254	254	254	+1		
ASpol 4	1595	404	36	-404	+4	MIDP	.10	1973	344	344	344	+1		
Amplitude	2107	1346	1114	-1114	+1	MIPPI	.10	1573	10	94	94	+1		
Andrew	402	414	364	-364	+1	MICR/M	.09	119	706	714	714	+1		
Apogee 4-15	1027	18	146	-146	+1	McCorm	.28	228	314	299	314	+1		
AppleC	1208	616	56	-616	+3	McCoro	.28	288	116	104	116	+1		
AppliM	487	404	40	-404	+1	McRaeO	.20	1570	10	104	104	+1		
AppliO	285	450	42	-450	-3	McMem	.8	2454	419	419	444	+2		
ArizBc 400	1570	174	17	-174	+1	Microv	.20	843	156	156	156	+1		
Astroby	882	124	114	-124	+1	Mihler	.40	201	266	266	294	+1		
ATM/B 1-32	481	42	41	-414	+1	Mobic	.18	856	106	106	106	+1		
AtionR's	232	55	52	-52	+2	Mobic B	.18	856	106	106	106	+1		
AthmDoc	338	614	55	-614	+2	MomCo	.14	124	206	206	211	+1		
Aulton 5	467	60	224	-224	+1	Monch	.20	270	175	152	147	+1		
Avntek	3338	2814	27	-2814	+1	Monsellib	.24	2434	456	452	445	+1		
BFI 5's	567	65	223	-237	+1	Morrison	.40	388	174	174	176	+1		
BonCo 1-34	1018	344	334	-344	+1	MotClb	.10	161	124	125	125	+1		
BoyBks 5	232	55	34	-345	-1	NIDoC	.36	250	246	24	247	+1		
Bektins 40	45	229	224	-229	+1	NALicrn	.31	251	276	276	266	+1		
BetzLD 28	2392	399	554	-389	-114	Naupe's	.15	153	304	295	304	+1		
Blochm	331	154	132	-154	+1	NHWk's	.5	208	24	204	24	+1		
Bliss 1	915	194	16	-194	+1	NICKOG	.49	549	56	56	57	+1		
BobEv 5-30	951	292	27	-292	+1	NikeB	.5	242	194	194	194	+1		
Brenco .34	446	124	124	-124	+1	Nordstar	.54	227	776	763	774	+1		
Briw/Tom	73280	74	74	-74	+1	NuNg	.12	151	151	151	151	+1		
Brown 4-30	265	174	174	-174	+1	NuNg/L 1-20	150	157	134	134	13	+1		
C/COR	244	194	17	-194	+1	NuNg/L 1-20	150	157	134	134	13	+1		
CPH 5's	1159	192	184	-192	+1	NuclPi	.09	489	256	246	254	+1		
CGAC	543	149	14	-149	+1	OCG/Tc	.04	149	124	124	124	+1		
CPT	2441	274	254	-274	+1	Oceaner	.24	116	116	116	116	+1		
Col/Mic	692	30	329	-329	+1	Ontrix	.72	720	125	125	125	+1		
CollonP	584	114	114	-114	+1	Orcac	.42	1261	157	154	154	+1		
Celus	1764	179	144	-179	+1	PNC	.12	1771	49	38	39	+1		
Chrm's 2-25	915	65	45	-65	+1	Potens	.161	143	24	24	24	+1		
Chrt/H 40	265	252	252	-252	+1	PondP	.24	143	24	24	24	+1		
Chubz 2-92	265	252	252	-252	+1	Pop/H	.54	424	244	24	254	+1		
Chryon 5-101	678	27	24	-24	+1	PopExp	.162	1728	614	36	36	+1		
Cipher 5	4464	394	224	-394	+1	PopRt	.81	811	1179	104	104	+1		
CitySocGo .56	3441	15	144	-144	+1	Petrite	.1	324	514	304	304	+1		
City P'ds	3219	144	14	-144	+1	PicSov	.1207	454	441	441	45	+1		
CobeLab	371	49	45	-49	-1	PiKoff	.72	692	254	254	254	+1		
Cogur 1	721	274	24	-274	+1	PizzaTm	.171	171	26	26	25	+1		
ColaGen	4787	26	24	-26	+1	PrCo/G	.612	189	24	24	24	+1		
Coll/LAC .34	42	224	514	-224	+1	PriceCo	.021	1261	48	24	24	+1		
Col/Tle	2025	254	224	-224	+1	PrTimo	.022	122	124	124	124	+1		
Com/nd	2025	22	22	-22	+1	Quan/Co	.34	322	314	314	314	+1		
Com/Lnd	322	341	33	-341	+1	Quar/Co	.34	322	314	314	314	+1		
Com/Pc .24	2406	376	324	-376	+1	Quar/Co	.34	322	314	314	314	+1		
Compa	1853	136	126	-136	+1	Race	.20	324	314	314	314	+1		
CCTC	2792	239	226	-239	+1	Rage	.22	252	256	256	256	+1		
CompDv	1441	14	114	-144	+1	Ramp	.56	418	16	17	17	+1		
Conserve	879	164	164	-164	+1	RainB	.140	360	177	174	174	+1		
Concept	1724	164	164	-164	+1	Ramme	.261	323	336	336	336	+1		
ConSul 1-36	715	204	164	-204	+1	Reaves	.5	1500	22	22	22	+1		
Consult	1451	194	162	-194	+1	Recy/Ex	.40	2725	374	344	344	+1		
CL/ser	1452	194	162	-194	+1	Rival	.20	2720	145	145	145	+1		
Com/S 5	6454	252	24	-252	+1	RoadS	.140	1208	10	10	10	+1		
Com/Vis	1334	45	264	-264	+1	Rouse	.72	324	224	224	224	+1		
Coors 5-30	18146	214	204	-214	+1	SC15V	.5	949	5010	474	50	+1		
CorpS 1-52	748	44	674	-674	+1	SRI 1.12	.24	708	5816	545	545	+1		
Corvus	1743	204	16	-204	+1	Sofaco	.240	2917	649	545	545	+1		
CrimeC	243	19	184	-19	+1	SP/Point	.210	217	464	464	464	+1		
CrosTr 40	2682	246	24	-246	+1	SowWay	.10	631	22	216	216	+1		
Daford 24	580	156	156	-156	+1	ScanOp	.30	1187	164	154	154	+1		
Dabols 3-24	1101	284	19	-284	+1	Scherer	.30	4846	2676	264	264	+1		
Data 10	1172	24	202	-24	+1	Sci/Go	.20	2048	1256	1256	1256	+1		
Dafters	646	144	14	-144	+1	Selbel	.2,00	9720	264	264	264	+1		
David 1-34	264	156	156	-156	+1	Selbel 2.00	.2,00	9720	264	264	264	+1		
Dakiba .72	1405	223	214	-223	+1	Selbel 3.00	.3,00	2474	344	344	344	+1		
Dakiba 2-72	13014	216	174	-216	+1	Selbel 4.00	.4,00	2474	344	344	344	+1		
Dakiba 4-72	5705	44	292	-44	+1	Selbel 5.00	.5,00	2474	344	344	344	+1		
Dakiba 5-72	2024	382	354	-382	+1	Selbel 6.00	.6,00	2474	344	344	344	+1		
Dakiba 6-72	549	9	94	-94	+1	Selbel 7.00	.7,00	2474	344	344	344	+1		
Dakiba 7-72	571	4092	3912	-404	+1	Selbel 8.00	.8,00	2474	344	344	344	+1		
Dakiba 8-72	11059	164	114	-164	+1	Selbel 9.00	.9,00	2474	344	344	344	+1		
Dakiba 9-72	3572	264	196	-264	+1	Selbel 10.00	.10,00	2474	344	344	344	+1		
Dakiba 10-72	2307	284	256	-284	+1	Selbel 11.00	.11,00	2474	344	344	344	+1		
Dakiba 11-72	316	3354	3246	-3354	+1	Selbel 12.00	.12,00	2474	344	344	344	+1		
Dakiba 12-72	627	41	42	-41	+1	Selbel 13.00	.13,00	2474	344	344	344	+1		
Dakiba 13-72	16603	149	124	-149	+1	Selbel 14.00	.14,00	2474	344	344	344	+1		
Dakiba 14-72	81	184	176	-184	+1	Selbel 15.00	.15,00	2474	344	344	344	+1		
Dakiba 15-72	1515	19	176	-1515	+1	Selbel 16.00	.16,00	2474	344	344	344	+1		
Dakiba 16-72	295	234	224	-234	+1	Selbel 17.00	.17,00	2474	344	344	344	+1		
Dakiba 17-72	1247	284	264	-284	+1	Selbel 18.00	.18,00	2474	344	344	344	+1		
Dakiba 18-72	562	324	314	-324	+1	Selbel 19.00	.19,00	2474	344	344	344	+1		
Dakiba 19-72	13119	54	54	-54	+1	Selbel 20.00	.20,00	2474	344	344	344	+1		
Dakiba 20-72	1302	54	54	-54	+1	Selbel 21.00	.21,00	2474	344	344	344	+1		
Dakiba 21-72	2297	404	394	-404	+1	Selbel 22.00	.22,00	2474	344	344	344	+1		
Dakiba 22-72	13162	214	21	-21	+1	Selbel 23.00	.23,00	2474	344	344				

Consolidated Trading Of NYSE Listings

Week Ended June 3

(Continued on Page 13)					
	Chile May Sell Shares In State Companies				
	Reuters				
Issuer	Shares	Trade	Price	Change	Comments
Atacama Motor	6,079,400	136	116	+12	
Atacama Motor	5,272,600	256	234	+14	
Autofin	4,520,000	645	626	+15	
Autofin	3,462,800	596	553	+37	
BAE	3,091,200	1149	1104	+14	
Chileco	2,722,100	426	42	+14	
AHome	2,744,500	459	426	+454	
Chrysalis	2,728,000	281	254	+27	+14
Diamonds	2,672,900	45	213	+11	-2
Exxon	2,674,200	244	334	-326	+14
GMAO	2,484,100	597	45	+689	+14
K-mart	2,207,300	324	304	+14	
Boeing	2,037,200	442	396	+296	+14
Esko	1,989,000	740	724	+14	+14
Esso	1,950,000	204	226	+22	+14
WimCn	1,571,700	304	294	+10	+14
PruisCn	1,528,400	212	201	+14	+14
ArchOn	1,123,400	265	258	+26	+14
Safeway	1,016,500	138	11	+116	-
Issues Trades in: 2,190					
Advances: 714; declines: 1,035;					
Unchanged: 221					
New highs: 362; new lows: 6					
Volume					
This week	301,690,000 shares				
Last Week	467,120,000 shares				
1982 same week	1,014,000,000 shares				
1983 to date	9,378,840,187 shares				
1982 to date	5,557,000,000 shares				
1981 to date	5,242,478,000 shares				

(Continued on Page 13)

Chile May Sell Shares In State Companies

Reuters
SANTIAGO — Chile is studying

SANTIAGO — Chile is studying a plan to sell shares in some state-owned companies, the semi-official Orbe News Agency said, quoting Economic Minister Pedro Vial.

Eugenio Blanco, president of the Santiago Stock Exchange.

The agency said Saturday that it was replying to inquiries from journalists after the daily *El Mercurio* had reported that the plan involved companies in such sectors as telecommunications, electricity and chemicals.

Consolidated Trading Of AMEX Listings

	Stocks	Nikkei	Low	Last	Chg.
Dunlop	2,536,700	114	110	113-14	-1-16
DomeP	1,615,300	514	492	492	-16
Cyprus	1,457,500	312	3	3	-46
WangB	1,074,400	614	389	414	+14
ImpCo	988,600	716	716	716	-56
Bowmrr	853,600	914	8	897	+119
Int'l En	742,100	-114	116	116	+16
Int'l Tr	664,500	576	492	5	-56
GldPld	497,100	256	254	254	-16
Heizer	472,200	1746	1554	1736	+46

S&L to Be Savings Bank

Reuters
WASHINGTON — The Federal Home Loan Bank board said Friday it approved the conversion of Women's Federal Savings and Loan Association in Cleveland from a mutual form savings and loan to a stock form savings bank.

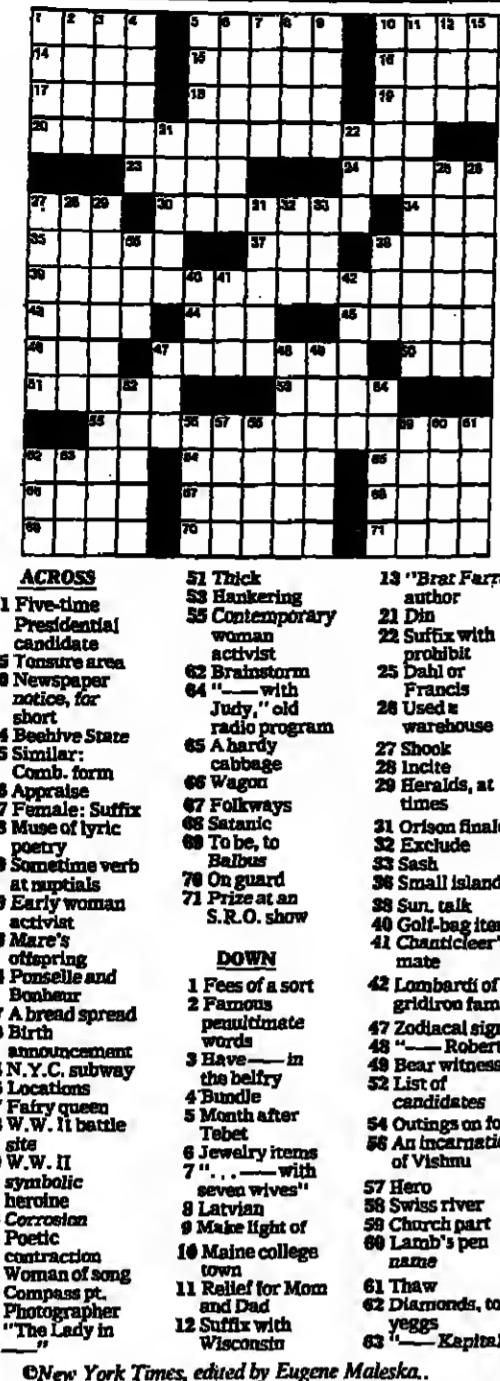
and the acquisition of the thrift by a group of investors.

a group of investors.

American Exchange Options

For the Week Ending June 3, 1983

CROSSWORD



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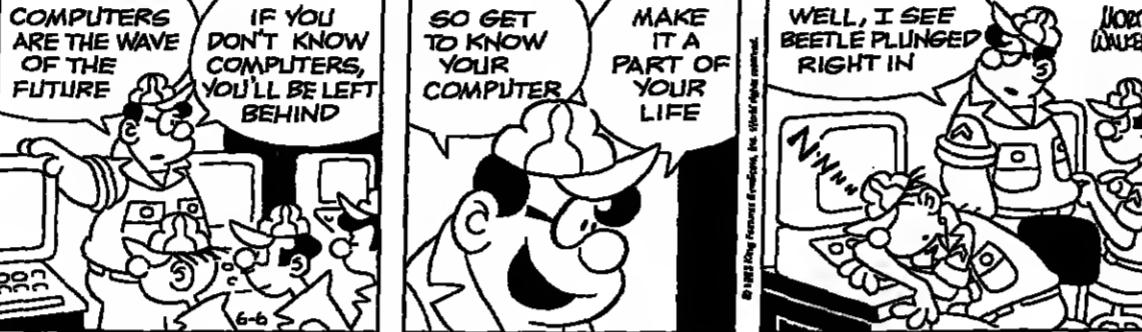
PEANUTS



BLONDIE



BEETLE BAILEY



ANDY CAPP



WIZARD OF ID



REX MORGAN



GARFIELD



SPORTS BRIEFS

Romanian Sets Long Jump Mark

BUCHAREST (AP) — Anisoca Cusim of Romania bettered her own world record in the women's long jump Saturday, clearing 24 feet, 4½ inches (7.43 meters) at an international test meet.

Cusim, 21, set the previous mark of 23-8 earlier this year. She also holds the world indoor mark of 22-8½.

All Blacks Defeat Lions, 16-12

CHRISTCHURCH, New Zealand (Combined Dispatches) — The British Isles lost 2 forward-dominated rugby match against New Zealand, 16-12, here Saturday. In the first of four test matches on their tour, the Lions led, 9-6, at halftime. The All Blacks drew even and then took a 13-9 lead early in the second half when flanker Mark Shaw plunged over at the end of a sweep.

Fulback Allan Hewson kicked three penalties and a dropped goal for the winners. All the lion points came from Irish flyhalf Ollie Campbell, also with drop and three penalties. Scrumhalf Terry Holmes of Wales sustained knee-ligament damage and was hospitalized.

Couples, Simpson Golf Co-Leaders

BETHESDA, Maryland (UPI) — Fred Couples shot a 4-under par 68 Saturday to lead Scott Simpson for the lead after three rounds of the Kemper Open golf tournament. Simpson, whose second straight 68 Friday gave him two-shot lead over Tom Kite after two rounds, struggled to a 74/70 Saturday.

Tze-Chung Chen of Taiwan shot a 69, putting him at 211, while Kite skied to 76/74. At 216 were Craig Stadler (a third-round 69), John Mahaffey (72), Nick Price (70), Andy Bean (72) and first-round leader George Burns (75).

Mets' Manager Bamberger Resigns

LOS ANGELES (AP) — Manager George Bamberger of the New York Mets resigned Friday and was replaced by Coach Frank Howard. Howard, 47, had a 41-69 record as manager at San Diego during the strike-shortened 1981 season.

Bamberger, 57, managed Milwaukee to winning records in 1978 and 1979 before missing part of the 1980 season with heart problems and retiring. Coaxed out of retirement before the 1982 season by the Mets, he replaced Joe Torre, who went on to lead the Atlanta Braves to first place in the National League West. The 1983 Mets have a 17-31 record, the worst in major-league baseball.

For the Record

TURNBERRY, Scotland (UPI) — Philip Parkin of Britain defeated American Jim Holgrieve, 5-and-4, to win Saturday's final of the British Amateur Golf Championship. Parkin had Holgrieve down at the turn of the 36-hole match.

STOCKHOLM (UPI) — Hugh Jones of Britain won the Stockholm Marathon Saturday in two hours, 11.37 seconds; Tanzanian Agapitus Masong was 17 seconds behind and American Paul Cummings was third in 2:12.39. Fastest among the women was Tuulikki Raisanen of Sweden in 2:36.58.

DENVER (UPI) — Larry Canada scored two fourth-quarter touchdowns to lead Denver to a 24-12 United States Football League victory Friday over Washington.

BOOKS

LOW CITY, HIGH CITY: Tokyo From Edo to the Earthquake, 1867-1923.
By Edward G. Seidensticker. 260 pp. \$30.

Knopf, 201 East 50th Street, New York, N.Y. 10022

Reviewed by Frank Gibney

To visiting tourists (and many longtime residents) Tokyo has the effect of one big, energized jumble. Probably only a veteran resident of Los Angeles could detect any rationale underlying its construction. Clumps of ultra-modern skyscrapers crash upward through an underbrush of tile-roofed neighborhoods, with raw high-rise apartments testifying to the struggle for finding minimal living space in the world's most expensive real-estate market. Factories and farmland, stadiums and the heaviest concentration of universities in anyone's history are contained within the sprawl of metropolitan Tokyo: the daily migration of its 12 million citizens is channeled by the network of subway, train and overcrowded mini-freeways. The imperial Palace, with its plaza and moated approaches is about the only focal point a visitor can readily find. It still dominates the government and business heart of the city.

Yet like other great capitals, history and tradition still breathe (with difficulty) under Tokyo's ferro-concrete blanket. In a fascinating memoir, Edward Seidensticker, translator and scholar of Japanese literature (his translation of "The Tale of Genji" is a classic), has tried to tell us what gave modern Tokyo its character, its culture and its rapid pulse. As a book, it almost defines description. Written in a defiantly discursive style — part guidebook, part history, part social commentary — "High City, Low City" is a journey backward into a time too recent to be called history, but too old to be well remembered. Gossipy and informative but unrelived in its authority, it is a piece of monumentally good reading.

The two cities of Seidensticker's title were cultural as well as geographical entities. When the Tokugawa shogun made the small bay-side city of Edo into the *de facto* capital of Japan in the early 1700s, they allotted most of the hill land around the shogun's castle — now the Imperial Palace — to their military retainers and the *daimyo*, the feudal barons of Japan, who were obliged to build spacious town houses and estates there. The river marshes to the east of the castle were filled in and given over to dance the waltz in the new Rokumeikan ballroom. (Prime Minister Ito, the maker of Japan's Meiji constitution, could never quite shake the derogatory stories about his "dancing Cabinet.") Western visitors were courted. General and Mrs. Ulysses S. Grant, touring Tokyo in 1879, were entertained at the Kabuki theater by an improvised chorus line of geisha wearing stars-and-stripes kimonos. Western bookstores proliferated along with the new universities. And old Edo began to fade away.

Seidensticker manages to be chatty, informative and often funny in describing the hectic pace of Japan's Westernization. He has read widely in Tokyo's own authors — Tanizaki, Nagai Kafu and others — and has obviously spent much time exploring his favorite town. As he notes, the street patterns in modern Tokyo — so frustrating to the foreign resident who has the willfulness to drive a car there — still closely follow the patterns of old Edo.

The earthquake of 1923, rather than intermittent fires, floods and modernizations, was finally to destroy the Low City. Part of old Edo's heart perished with the burning wooden buildings. There are some survivals: The Kabukiza and its art remain in modern perpetuation; the old comedians' dialogue survives on occasional TV programs; there are still temple festivals in Asakusa, and a few surviving geisha can still perform stylized dances for sizable retainers at the old teahouses. Not many are left.

Frank Gibney wrote this review for The Los Angeles Times.

BRIDGE

By Alan Truscott

On the diagrammed deal East overcalled one diamond with four hearts in the teeth of the vulnerability. If this had ended the auction, he would have been happy to find the K-Q of trumps in the dummy. He would nevertheless have failed by a trick against normal defense.

North responded with a takeout double that landed South in four spades. West led the heart king, and when East won the next trump lead with the ace and played yet another heart, the *spade* king in the West hand was promoted as the setting trick.

South was heavily punished for a slight misjudgment. His play of the spade jack would have been right if East had been gunned with a doubleton spade queen, but his was rather less likely that the actual position in the light of East's vulnerability jump to the four-level.

As it happens, West might have beaten the contract if he had shifted to a diamond. If

South then makes the same misplay in the trump suit, a diamond ruff with the trump ace will again give the defense four tricks.

North (D)
♦ A ♦ 4
♦ Q ♦ 3
♦ 7 ♦ 2
♦ AKQ844
♦ A432

WEST
♦ Q♦87
♦ 4♦4
♦ 2♦2
♦ 3♦3

EAST
♦ K♦J983
♦ V♦J
♦ 6♦782
♦ Q♦J7

East and West were vulnerable. Declarer:
North 1♦ East 4♦ South 4♦ West 4♦
West Pass 4♦ Pass 4♦ Pass 4♦
West led the heart king.

The queen of hearts was led to the second trick, and South

ruffed in the dummy. He led a trump to the jack, which turned out to be a fatal error.

West won and played his last heart. South ruffed in his hand this time and entered dummy with a club lead. But when East won the next trump lead with the ace and played yet another heart, the *spade* king in the West hand was promoted as the setting trick.

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SPORTS

Noah Dethrones Wilander in 3 Sets; Evert Wins 5th French Crown

French Victory First in Paris Since 1946

Compiled by Our Staff From Dispatches
PARIS — Yannick Noah defeated defending champion Mats Wilander of Sweden in straight sets Sunday to become the first Frenchman to win the French Open men's singles title since Marcel Bernard in 1946.

Noah took two hours and 24 minutes for his 6-2, 7-5, 7-6 victory on the red clay of Roland Garros Stadium before a center-court crowd that included Bernard.

But the first person to congratulate the new champion was Noah's father, a Cameron national who was a former French professional soccer player, Zachee. Noah raced on the court to embrace his 23-year-old son as Wilander's one-year reign ended.

Wilander misplayed a forehand off the 10th point of the tie-breaking 13th game of the third set, and Noah dropped to his knees in exultation at the end of the \$1 million prize.

"I am doubly happy, because I didn't win this alone," Noah said. "It was with my family, my friends and the French federation. It's our victory. I think we have been waiting a long time for a French victory at Roland Garros."

Wilander was gracious in defeat. "Yannick played too well for me," he said. "I played well, but Yannick played better. He was coming in all the time. My passing shot is usually my basic game when I play him, but today it didn't work."

As well as ending Sweden's five-year hold on the crown, Noah's triumph was a victory for attacking tennis. Björn Borg, who won the title six times (including a four-in-a-row run) and his successor, Wilander, had spread the gospel of

baseline discipline as the key to success in Paris.

But the 6-foot-4 Frenchman showed it was possible to win playing aggressively. And it was his intense volleys at the net that spelled defeat for the fifth-seeded Swede and earned him the \$90,000 first prize.

Noah, discovered playing with a homemade racket 15 years ago by former Wimbledon champion Arthur Ashe during a goodwill tour in Africa, thrilled the crowd with some spectacularly acrobatic shots.

Wilander entered the match with an impressive record, not having lost at Roland Garros since winning the junior title two years ago. But Noah, enjoying a run of 16 consecutive match victories on the grand prix circuit, has a deserved reputation as a streak-breaker.

Last year Noah ended Ivan Lendl's 44-match victory streak and, more significantly, defeated Wilander in the quarterfinals at Hamburg three weeks ago — ending the Swede's string of 43 consecutive victories on European clay.

But the Hamburg tournament was best-of-three sets, and Wilander maintained Noah would not be able to sustain his pace if Sunday's final went the distance.

It looked as if Wilander's words might come true as Noah began to wilt after capturing the first two sets. But the Frenchman halved the champion's mounting threat.

The match was never a masterpiece; both players were guilty of unforced errors. But it was an entertaining contest in style — Noah getting to the net at every opportunity and Wilander trying to pick him off from the baseline.

Noah played an attacking game from the start. Although Wilander often passed him at the net, the

Frenchman refused to be shaken from his tactics.

From 2-2 in the first set, Noah ripped off the next four games. He broke again to take a 3-2 lead in the second set. Wilander broke back in the 10th game to level at 5-5, but Noah, moving to the net behind crisp backhands to the baseline and then volleying and smashing whatever Wilander could get back, won the next two games for a 2-0 lead.

Noah broke the Swede again in the opening game of the third set, but Wilander broke right back. The two then stayed on serve until Noah nosed ahead again at 6-5. But Noah, enjoying a run of 16 consecutive match victories on the grand prix circuit, has a deserved reputation as a streak-breaker.

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The two traded breaks in the first two points, but Noah took a 3-1 lead on a backhand volley and was never threatened again. He won the tie breaker, 7-3, after Wilander had saved one match point with a perfect backhand.

With Noah again serving for the match, Wilander's return sailed long.

"I like playing Wilander and plays like him," Noah said, "because they let me get on with my own style of game."



Yannick Noah, after winning the French Open.

Jausovec Beaten, 6-1, 6-2

New York Times Service

PARIS — Chris Evert Lloyd won her fifth French Open and 15th grand slam title Saturday with a 6-1, 6-2 victory over Mima Jausovec of Yugoslavia that took only 65 minutes.

The American played her precise, efficient game, rolling through the first set in 20 minutes with the loss of only 13 points on the slow red clay of Roland Garros Stadium.

Evert tied Margaret Court Smith for the most French women's singles titles. Since the U.S. Open in 1971, her first grand slam event, Evert has played in 35 of them, reached at least the semifinals in all, and the finals 24 times.

Only Helen Wills Moody, with 19, and Smith, with 24, hold more slam titles, which also include Wimbledon and the Australian championships.

Evert was correct in her suspicion that Jausovec might be a weaker opponent Saturday than she was earlier in the tournament, when her rivals included Jo Durie, Kathy Horvath and Sylvia Hanika.

"Mima had such a good tournament," she said, "and sometimes after one or two good wins in a row, you have a letdown. I think that's what she had."

Evert added, however, that her own performance Saturday would have been a match for anyone.

"Even if she was strong," Evert said, "playing the way I was, I would have won. I was psyched up."

■ Swedes Win Men's Doubles

Anders Jarryd and Hans Simonsson of Sweden defeated Mark Edmondson of Australia and Sherwood Stewart of the United States, 7-6, 6-4, 6-2, in the men's doubles final Saturday. In the mixed doubles final, Eliot Teltscher and Kathy Jordan of the United States defeated fellow Americans Charles Strode and Leslie Allen, 6-2, 6-3.

On Sunday, Ros Fairbank of South Africa and Candy Reynolds of the United States defeated Kathy Jordan and Anne Smith of the United States, 5-7, 7-5, 6-2, to win the women's doubles.



Chris Evert Lloyd
...Psyched up.



Harper Leads Braves to 5th Straight, 6-4, Over Cardinals

Compiled by Our Staff From Dispatches

ATLANTA — Terry Harper hit a three-run home run and added an RBI single Saturday to lead the Atlanta Braves to their fifth straight victory, a 6-4 decision over the St. Louis Cardinals.

The Braves are unbeaten streak

in six games against the Cardinals this season after being swept by St. Louis in last year's National League playoffs.

St. Louis took a 1-0 lead in the first inning on Willie McCovey's RBI

single. Atlanta moved ahead in the second, with three runs off lesser Joaquin Andujar (3-8) when Harper hit his third homer of the year.

St. Louis tied the score, 3-3, in the fifth on George Hendrick's two-run home run.

Atlanta bounced back for a 4-3 lead in the sixth on Harper's RBI single, and scored again in the seventh on a two-run double by Glenn Hubbard.

St. Louis added a run in the eighth on a sacrifice fly by Tom Herr.

Dougie Moore, the second of four Atlanta pitchers, worked two

innings to improve his record to 2-0. Terry Forster induced Keith Hernandez to hit into a game-ending double and picked up his eighth save.

Astros 13, Reds 0

In Cincinnati, Alan Ashby hit two two-run homers and added a two-run triple as Houston pounded the Reds, 13-0. Mike Scott (1-3) pitched a four-hitter to win his first game as an Astro and first victory since July 18, 1982. The Astros scored 17 hits off four pitchers in a game who held all four at the same time, even if they spanned two years.

There has been considerable debate over whether such a slam is legitimate. The debate was revived

in the seventh inning to drive in Manolo Ramirez and Alan Wiggins as the Padres beat Philadelphia, 5-4, to send the Phillies to their sixth straight defeat.

Angels 8, Brewers 3

In the American League, in Milwaukee, Boe Boone's two-run single and Tim Foli's three-run homer highlighted a six-run rally that enabled California to beat Milwaukee, 8-3. Tommy John (5-2) gave up nine hits in pitching his fifth complete game. He walked and allowed only four runners after the fourth inning.

Mariners 5, Yankees 4

In New York, Richie Zisk drove in three runs with two home runs and a single to lead Seattle to a 5-4 victory over the Yankees. New York has lost three straight. Yankee relief ace Rich Gossage was unavailable for the game because of a pulled rib cage muscle. His status will be determined on a day-to-day basis.

Red Sox 8, Twins 6

In Minneapolis, Tony Armas had four hits, including two homers, and drove in four runs to pace Boston to an 8-6 victory over Minnesota. Armas had a two-run 410-foot shot to right in the first inning and a 435-foot home run to left-center off Frank Viola (2-3) in the fifth.

Rangers 5, Tiger 2

In Cleveland, Davey Lopes singled both runs to spark the Rangers' second loss in their last nine games.

in three runs with a two-run homer and an RBI double and Frank White added a two-run triple in a three-run fourth to help the Kansas City snap a three-game losing streak with a 7-1 victory over the White Sox. It was only Chicago's second loss in its last nine games.

A's 6, Indians 3

In Cleveland, Davey Lopes singled both runs to cap a three-run ninth to give Oakland a 6-3 victory over the Indians and broke Cleveland's four-game winning streak. Dwayne Murphy singled home the go-ahead run to spark the A's, who have won only two of eight games on their current road trip.

Orioles 6, Blue Jays 4

In Baltimore, Eddie Murray homered off Dave Stieb (6-4) to lead the Orioles to a 6-4 victory over Toronto. Mike Boddicker (2-2) gave up home runs to Emile Whitt and Cliff Johnson and notched the victory with help from reliever Sammy Stewart, who earned his second save.

Rangers 5, Tiger 2

In Arlington, Texas, Larry Parrish drove in two runs with his 10th homer of the year and a single and Billy Sample and George Wright also hit a home run to give Texas a 5-2 triumph over Detroit. Charlie Hough (3-5) won 8½ innings to record his first victory since April 30.

Red Sox 7, White Sox 1

In Chicago, George Brett drove

Alboreto, in a Tyrell, Wins U.S. Grand Prix

The Associated Press

DETROIT — Michele Alboreto wheeled his green Tyrrell around a frustrated Nelson Piquet nine laps from the finish and went on to the second Formula One victory of his career in Sunday's Detroit Grand Prix.

Brazilian Piquet, the 1981 world champion, appeared to have the race through the streets of downtown Detroit in hand until the left rear tire on his turbocharged Brabham went flat on Lap 51.

The start of the race was delayed for about 10 minutes when the turbocharged Alfa Romeo of Italian driver Andrea de Cesaris stalled at the starting line.

Roberger, driving a Williams in his usual aggressive style, cut the margin to 7.702 seconds at the end of the 60-lap, 150-mile race (241.39 kilometers), but the triumph went to Alboreto, who won his first Formula One race in Sunday's Detroit Grand Prix.

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Williams averaged 181.65 miles per hour in the race.

The race was won by Williams in 1:36.21. Williams' team mate, Nigel Mansell, England, was sixth.

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The afternoon shift has the crowds, the action, the payoffs, the morning shift has the scent of pot goats and the bawling of the workers, the leisure of a farm masking the tension of a launch pad.

He trains 33 horses at Belmont, still space being at a premium, and employs approximately one worker per horse. On this day, he had everybody in Barn 21 hustling to get his horses out on the track.

"The track's in its best shape ever," Rondinello said. "It's pretty good up there."

The morning workouts are so popular at Belmont, where nearly 2,000 horses are quartered, that the New York Racing Association holds "Breakfast at Belmont" opening the track every day but Tuesday and selling a continental breakfast near the finish line.

Rondinello was looking to beat the morning's crowd with a major work for High Honors, which just missed the earnings cutoff for the Kentucky Derby. But after being disqualified and placed second in the Twin Spires on Derby Day and finishing third in the Preakness, High Honors is a contender for the mile-and-a-half Belmont.

By 6:30 A.M., Rondinello had posted a mania legal sheet on the barn wall, listing the morning's activity for each of his 33 horses — "pony" or "walk" for most of them. Six horses had an exercise rider's name next to them.

In Barn 21, a groom with a black-and-gold Pittsburgh Pirates cap (the Gaffreaths have a share in the baseball team, too) cleaned out stalls while hot-walkers led horses around the barn. Fred Kowalski, an experienced exercise rider with a bushy mustache, waited for High Honors to be taken from the stall.

"Stand on this side," Rondinello suddenly barked to a stranger. "Otherwise, you'll get your brains knocked out."

"Trainers make our mistakes at 8 in the morning," Johnson told Samyn, with a smile. "You make yours at 2 in the afternoon with 30,000 people watching."

Samyn nodded gently. The tensions of the afternoon shift seemed light years away during the decompressively pastoral hours of the morning shift.

"A horse got loose the other day and damn near ran

right into my car," Rondinello said. "They get loose just about every day."

Only a dozen horses were on the main track when the finish-line. The track was decorated with flower boxes and the grass glistened from recent rains. The lush trees surrounding the track obscured most traces of suburbia, except for a glimpse of the railroad and a few apartment buildings in the distance.

"Good to see the sun," Rondinello said, whipping out binoculars and spotting the light blue shirt of Kowalski on High Honors on the back stretch. As soon as the colt crossed the red-and-white striped three-quarter pole, Rondinello clicked his stopwatch. Click again at the next pole, two furlongs away. Click again with two furlongs to go. Click at the finish line, as Kowalski stood up.

"Let's go," Rondinello said, adding that he had clocked the colt at 1:16 for six furlongs, "which is fine

I'm more interested in distance and work than in time today."

The official clockers added 2.5 seconds to that time.

Back in the barn, High Honors was walked and rubbed and cleaned and returned to his stall. There were no visible problems for Kowalski to tell Rondinello about and people seemed to be routinely pleased at that.

The track was bustling now. The bags were still not up, and the fast-food fare seemed hardly in a class with the hand melons and full buffet of Saratoga or the fondly-remembered biscuit of Keeneland. Still, the coffee was bracing in the chilly sunshine. Before long, Mary Ryan, a track

